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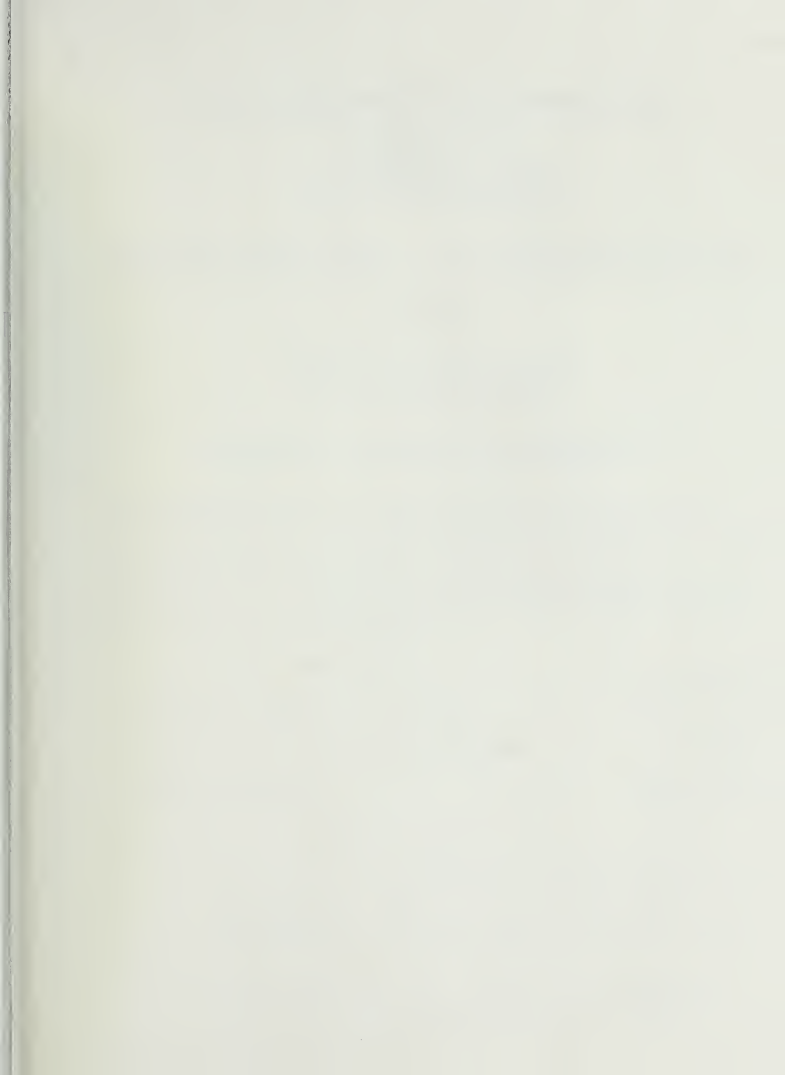
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SAN FRANCISCO PORT COMMISSION

Leslie Katz, President
Willie Adams, Vice President
Kimberly Brandon, Commissioner
Doreen Woo Ho, Commissioner

Monique Moyer, Executive Director Amy Quesada, Commission Secretary
Phone: 415-274-0400; Fax 415-274-0412 Phone: 415-274-0406; Fax 415-274-0412

AGENDA

TUESDAY, SEPTEMBER 8, 2015

1:00 P.M. CLOSED SESSION

3:15 P.M. OPEN SESSION

**PORT COMMISSION HEARING ROOM, SECOND FLOOR
FERRY BUILDING, SAN FRANCISCO CA 94111**

The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Port Commission are posted on the Port's Website at www.sfport.com. The agenda packet is also available at the Pier 1 Reception Desk. If any materials related to an item on this agenda have been distributed to the Port Commission after distribution of the agenda packet, those materials are available for public inspection at the Port Commission Secretary's Office located at Pier 1 during normal office hours.

- 1. CALL TO ORDER / ROLL CALL**
- 2. APPROVAL OF MINUTES – July 14, 2015**
- 3. PUBLIC COMMENT ON EXECUTIVE SESSION**
- 4. EXECUTIVE SESSION**

GOVERNMENT
DOCUMENTS DEPT

SEP 03 2015

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A. Vote on whether to hold closed session.

- (1) PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Discussion Item)

Monique Moyer, Port Executive Director. Discussion of Performance Evaluation pursuant to Section 67.10(b) of the Administrative Code and Section 54957(b) of the California Government Code.

- (2) CONFERENCE WITH LEGAL COUNSEL AND REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. *This session is closed to any non-City/Port representative:

- a. Property: Pier 38, located at Delancey Street and The Embarcadero
Person Negotiating: Port: Elaine Forbes, Deputy Director, Finance and Administration
*Negotiating Parties: TMG Pier 38 Partners, LLC: Michael Covarrubias


Under Negotiations: ___Price ___ Terms of Payment ☒ Both
The Port and TMG Pier 38 Partners, LLC ("TMG") are negotiating a lease for the Pier 38 Bulkhead Building Rehabilitation Project. In this executive session, the Port's negotiator seeks direction from the Port Commission on factors affecting the price and terms of payment, including price structure, financing mechanisms and other factors affecting the form, manner and timing of payment of the consideration for the property interests. The executive session discussions will enhance the capacity of the Port Commission during its public deliberations and actions to set the price and payment terms that are most likely to maximize the benefits to the Port, the City and the People of the State of California.

- b. Property: Piers 31–33, located at Francisco and Bay Streets and The Embarcadero
Person Negotiating: Port: John Doll, Project Manager, Planning and Development
*Negotiating Parties: National Park Service: Christine Lehnertz, Superintendent, Golden Gate National Recreation Area

Under Negotiations: ___Price ___ Terms of Payment ☒ Both
The Port and National Park Service are negotiating business terms for use of portions of Piers 31–33 as a long-term ferry embarkation site for passenger service to Alcatraz Island. In this executive session, the Port's negotiator seeks direction from the Port Commission on factors affecting the price and terms of payment, including price structure, financing mechanisms and other factors affecting the form, manner and timing of payment of the consideration for the property interests. The executive session discussions will enhance the capacity of the Port Commission during its public deliberations and actions to set the price and payment term that are most likely to maximize the benefits to the Port, the City and the People of the State of California.

5. RECONVENE IN OPEN SESSION

- A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.



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- B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

6. PLEDGE OF ALLEGIANCE

7. ANNOUNCEMENTS

- A. Announcement of Prohibition of Sound Producing Electronic Devices during the Meeting: Please be advised that the ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing of or use of a cell phone, pager, or other similar sound-producing electronic device.
- B. Announcement of Time Allotment for Public Comments: Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

8. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during Public Comment Period. A member of the public has up to three minutes to make pertinent public comments. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406. No Commission action can be taken on any matter raised during the public comment period for items not listed on the agenda other than to schedule the matter for a future agenda, refer the matter to staff for investigation or respond briefly to statements made or questions posed by members of the public. (Government Code Section 54954.2(a))

9. EXECUTIVE

- A. Executive Director's Report
- La Cocina's San Francisco Street Food Festival – August 15-16, 2015 at Building 12, Pier 70
 - National Football League (NFL) Kickoff Event – September 10, 2015 at 3:30 pm at Justin Herman Plaza
 - Dreamforce Events – September 13-18, 2015 at Pier 27
 - Dreamforce and UCSF Benefit featuring the Foo Fighters and Gary Clark Jr. – September 17, 2015 at Pier 70
 - Bayview Gateway Park Ribbon Cutting Celebration - September 18, 2015 at 4 pm, a new open space bordering Islais Creek, Third Street and Cargo Way
 - California Coastal Cleanup Day – September 19, 2015 from 9 am to 1 pm

- Bayfront Park Community Workshop – September 23, 2015 from 5:30 to 7:30 pm at the Mission Creek Park Pavilion at 290 Chanel Street
- Second Sale of 2012 Clean and Safe Neighborhood Parks General Obligation Bond (\$13.2 Million) for the Port's Crane Cove and Agua Vista Parks – for Board of Supervisors' approval in October
- Memorial for Evan Rose, former Senior Urban Designer for City Planning – September 25, 2015 at 6 pm at SPUR, 654 Mission Street, San Francisco

- B. Port Commissioners' Report: Without discussion, at this time Commissioners may make announcements regarding various matters of interest to the Commissioner(s).

10. CONSENT

- A. Request approval of travel for Port Commissioner and Port staff to attend the 16th Friendship/Sister Ports Conference in Shanghai, China on October 27-29, 2015. (Resolution No. 15-26)
- B. Request approval of a resolution of support for the San Francisco Bay Area Water Trail, being implemented by the California Coastal Commission. (Resolution No. 15-27)

11. FINANCE AND ADMINISTRATION

- A. Request approval to amend the previously approved supplemental appropriation to Fiscal Year 2015-16 Capital Budget by including 10 additional projects and increasing project funding by \$6.2 million. (Resolution No. 15-28)

12. REAL ESTATE

- A. Request approval for Lease No. L-15908 for premises located at Pier 33½ in the Northern Waterfront between the Port of San Francisco and of Queen's Louisiana Po'-Boy Café, LLC ("Queen's") for a term of 5 years (This action constitutes the Approval Action for the project for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code). (Resolution No. 15-29)

13. MARITIME

- A. Request approval of Amended Maritime Industry Preservation Policy. (Resolution No. 15-30)

14. PLANNING & DEVELOPMENT

- A. Informational presentation regarding results of Request for Qualifications/ Proposal for Sustainable Recycled Asphalt and Concrete Plants and Lease Opportunity at Pier 94 and Seawall Lot 352 (located along Amador Street).
- B. Request authorization to enter into Exclusive Negotiation Agreement with Teatro ZinZanni and its financial partner, Kenwood Investments No. 6, LLC, operating together as TZK Broadway, LLC, for the lease and development of a dinner-theater and a maximum 200-room, 40-foot high boutique hotel and an approximately 7,500 square foot privately financed public park and ancillary uses at Seawall Lots 323/324 and portions of Vallejo and Davis Street right-of-ways on the west side of The Embarcadero at Vallejo Street. (Resolution No. 15-31)

15. NEW BUSINESS

16. ADJOURNMENT

Adjourn the meeting in memory of former City Planning Senior Urban Designer, Evan Rose.

FORWARD CALENDAR
(TARGETED COMMISSION MEETING, SUBJECT TO CHANGE)

SEPTEMBER 22, 2015

	FACILITY/POLICY	ITEM	TITLE
1	Portwide	Informational	Presentation on the Waterfront Land Use Plan Working Group and Advisory Teams
2	Portwide	Informational	Accept Port of San Francisco's Report on Contracting Activity for Fiscal Year 2014-15 (July 1, 2014 through June 30, 2015)
3	Portwide	Informational	Annual presentation by the City Planning Department Director regarding interagency coordination with the Port of San Francisco for waterfront planning and urban design
4	Seawall Lots 321, 322-1, 323/324, and Piers 19½, 29½, and 33	Informational	Presentation on the results of the Request for Proposals for a three year lease with two one-year options to renew for three surface parking lots at: (i) Seawall Lot 321, bounded by the Embarcadero, Front Street and Green Street; (ii) Seawall Lot 322-1 bounded by Broadway Street, Front Street and Vallejo Street; and (iii) Seawall Lot 323/324 bounded by the Embarcadero, Broadway Street and Davis Street; (iv) interim parking in Pier 19½; (v) interim parking in Pier 29½; and (vi) interim parking in Pier 33
5	Portwide	Informational	Presentation on Revised Rules and Regulations for South Beach Harbor into Tariff #5
6	Pier 31½	Informational	Presentation regarding business terms with the National Park Service for a long-term Pier 31½ ferry embarkation site to Alcatraz Island
7	Seawall Lot 352 (along Amador Street)	Action	Authorization for San Francisco Public Works, in consultation with Port staff, to select an Asphalt and Concrete Batching Plant operator at Seawall Lot 352 (located along Amador Street) with a Bulk Maritime Terminal Component at Pier 94
8	Portwide	Action	Authorization to advertise for Competitive Bids for the Five Year Maintenance Dredging Project
9	SWL 322-1 at Broadway and Front Streets	Action	Approval of a resolution endorsing a Request for Proposals for the San Francisco Mayor's Office of Housing and Community Development to solicit a developer for development of affordable housing on Seawall Lot 322-1, located at Broadway and Front Streets

OCTOBER 13, 2015

	FACILITY/POLICY	ITEM	TITLE
1	Portwide	Informational	Presentation by Bevan Dufty, Director of the Mayor's Office of HOPE (Housing Opportunity,

			Partnerships & Engagement) on the City's homelessness issues
2	Portwide	Informational	Presentation on the Port of San Francisco's Foreign Trade Zone No. 3 and overview of the U.S. Department of Commerce's Foreign-Trade Zones Program
3	Portwide	Informational	Presentation on the Seawall/Earthquake Vulnerability Study Update
4	Pier 29	Informational and Action	Presentation and approval to issue Request for Proposals (RFP) for a Retail Leasing Opportunity at the Pier 29 Bulkhead Building, located at Chestnut Street and The Embarcadero
5	Pier 31½	Action	Approval of business terms leading to a Memorandum of Understanding with the National Park Service for a long-term Pier 31½ ferry embarkation site to Alcatraz Island
6	Bayview Gateway	Action	Approval to select an artist as recommended by the San Francisco Arts Commission through the Art Enrichment program and approve Memorandum of Understanding between the Port and San Francisco Arts Commission for the use of Port property for the Bayview Gateway Art installation
7	Portwide	Action	Approval of Port projects funded in the amount of \$8.7 million in the fourth and final sale of 2008 Clean and Safe Neighborhood Parks General Obligation Bond
8	Portwide	Action	Approval to add Revised Rules and Regulations for South Beach Harbor into Tariff #5

OCTOBER 27, 2015

	FACILITY/POLICY	ITEM	TITLE
1	Portwide	Informational	Presentation by San Francisco Municipal Transportation Commission on the Waterfront Transportation Assessment

NOVEMBER 10, 2015

	FACILITY/POLICY	ITEM	TITLE
1	Seawall Lots 321, 322-1, 323/324, and Piers 19½, 29½, and 33	Action	Authorization to negotiate lease for a three year lease with two one-year options to renew for three surface parking lots at: (i) Seawall Lot 321, bounded by the Embarcadero, Front Street and Green Street; (ii) Seawall Lot 322-1 bounded by Broadway Street, Front Street and Vallejo Street; and (iii) Seawall Lot 323/324 bounded by the Embarcadero, Broadway Street and Davis Street; (iv) interim parking in Pier 19½; (v) interim parking in Pier 29½; and (vi) interim parking in Pier 33

DECEMBER 8, 2015

	FACILITY/POLICY	ITEM	TITLE
1	Portwide	Action	Approval of the Operations Agreement with Chevron U.S.A. Inc. ("Chevron") granting Chevron renewed authority to operate its refinery site in Richmond, California, as a Foreign Trade Zone No. 3 subzone site for a term of five years, with three options to extend for five years each and outlining conditions for the operation of the subzone site
2	Seawall Lots 321, 322-1, 323/324, and Piers 19½, 29½ and 33	Action	Approval of lease for a three-year lease with two one-year options to renew for three surface parking lots at: (i) Seawall Lot 321, bounded by the Embarcadero, Front Street and Green Street; (ii) Seawall Lot 322-1 bounded by Broadway Street, Front Street and Vallejo Street; and (iii) Seawall Lot 323/324 bounded by the Embarcadero, Broadway Street and Davis Street; (iv) interim parking in Pier 19½; (v) interim parking in Pier 29½; and (vi) interim parking in Pier 33

DATE TO BE DETERMINED

	FACILITY/POLICY	ITEM	TITLE
1	South Beach Harbor	Informational	Presentation on Revised Rules and Regulations for South Beach Harbor
2	Pier 70	Action	Authorization to advertise for competitive bids for Construction, Crane Cove Park Project Phase 1
3	Pier 94 and 96	Action	Authorization to advertise for competitive bids for Construction, Pier 94-96 Storm Drain and Outfall repairs
4	Loading Dock near Tulare Street	Action	Authorization to advertise for competitive bids for Construction, Copra Crane Refurbishment
5	3rd Street & Cargo Way Triangle and Cargo Way	Action	Authorization to advertise for competitive bids for Construction, Quint Street Lead Improvement Project
6	Pier 35	Action	Authorization to advertise for competitive bids for Construction, Pier 35 Substructure Repairs
7	SWL 322-I	Action	Authorize Mayor's Office of Housing and Community Development to issue an RFP for a development of SWL 322-I
8	Pier 80	Action	Approval of Marine Terminal Agreement at Pier 80

SEPTEMBER / OCTOBER 2015
CALENDAR OF UPCOMING PORT MEETINGS – OPEN TO THE PUBLIC

DATE	TIME	GROUP	LOCATION
Sept. 22	2:00 PM Closed Session 3:15 PM Open Session	Port Commission	Port Commission Hearing Room/Ferry Bldg
Oct. 13	2:00 PM Closed Session 3:15 PM Open Session	Port Commission	Port Commission Hearing Room/Ferry Bldg
Oct. 27	2:00 PM Closed Session 3:15 PM Open Session	Port Commission	Port Commission Hearing Room/Ferry Bldg

NOTES:

The San Francisco Port Commission meets regularly on the second and fourth Tuesday of the month at 3:15 p.m., unless otherwise noticed. The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com. Contact Amy Quesada at 274-0406 or amy.quesada@sfport.com

Full Commission meetings are replayed on San Francisco cable via SFGovTV2 and streamed on the Internet. Broadband service is recommended for access. The Port Commission is generally broadcast on SFGovTV2, cable channel 78 on the 2nd & 4th Thursday of the month at 9 p.m. SFGovTV archives include a recording of each meeting, an agenda with links to the specific portion of the meeting, a file containing all closed captions for the deaf from the meeting and an MP3 recording of the meeting. The Port Commission meetings can be viewed online at http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=92

The Fisherman's Wharf Waterfront Advisory Group (FWWAG) meets regularly on a bi-monthly basis, on the third Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Rip Malloy @ 274-0267 or rip.malloy@sfport.com

The Maritime Commerce Advisory Committee (MCAC) meets every other month, on the third Thursday of the month, from 11:30 a.m. to 1:00 p.m. @ Pier 1. Contact Jim Maloney @ 274-0519 or jim.maloney@sfport.com

The Mission Bay Citizens Advisory Committee meets on the second Thursday of the month at 5:00 p.m. in the Creek Room at Mission Creek Senior Building located at 225 Berry Street in San Francisco (along the Promenade just beyond the library.) Contact Hilde Myall @ 749-2468 or hilde.myall@sfgov.org. For matters related to the proposed Golden State Warriors Event Center, the main contact is Adam Van de Water at MOED Adam.VandeWater@sfgov.org

The Northeast Waterfront Advisory Group (NEWAG) meets regularly on a bi-monthly basis on the first Wednesday of the month from 5:00 p.m. to 7:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Diane Oshima @ 274-0545 or diane.oshima@sfport.com

The Central Waterfront Advisory Group (CWAG) meets monthly on an as-needed basis, generally on the third Wednesday of the month from 5 to 7 p.m. in the Bayside Conference Room at Pier 1. Contact Mark Paez @ 705-8674 or mark.paez@sfport.com

The Southern Waterfront Advisory Committee (SWAC) meets at the last Wednesday of the month as needed from 6:00 to 8:00 p.m. Location to be determined. Contact Kanya Dorland @ 274-0264 or kanya.dorland@sfport.com and/or David Beaupre @ 274-0539 or david.beaupre@sfport.com

The Waterfront Design Advisory Committee (WDAC) meets jointly with the Design Review Board of the Bay Conservation and Development Commission on the first Monday of the month at BCDC, 50 California Street, Rm. 2600, at 6:30 p.m. The Committee meets as needed on the fourth Monday of the month at 6:30 p.m. in the Bayside Conf. Rm. @ Pier 1. Contact Dan Hodapp @ 274-0625 or dan.hodapp@sfport.com

ACCESSIBLE MEETING INFORMATION POLICY

FERRY BUILDING:

The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142. The nearest accessible parking is provided in the following off-street pay lots: 3 spaces in the surface lot on the west side of the Embarcadero at Washington Street.


Hourly and valet parking is available in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa. Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington, Folsom & Drumm Streets.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Disability Accommodations:

To request assistive listening devices, sign language interpreters, readers, large print agendas or other accommodations, please contact Wendy Proctor, Port's ADA Coordinator at (415) 274-0592 or via email at wendy.proctor@sfpport.com or Amy Quesada, Commission Secretary, at (415) 274-0405 or via email at amy.quesada@sfpport.com at least 72 hours in advance of the hearing. The Port's TTY number is (415) 274-0587.

Language Assistance

311 Free language assistance / 免費語言協助 / Ayuda gratuita con el idioma / Бесплатная помощь переводчиков / Trợ giúp Thông dịch Miễn phí / Assistance linguistique gratuite / 無料の言語支援 / 무료 언어 지원 /  / Libreng tulung para sa wikang Tagalog

NOTICES

Know Your Rights Under the Sunshine Ordinance:

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Sections 67.1 et seq. of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Chris Rustom by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at (415) 554-7724; by fax at (415) 554-7854 or by email at soff@sfgov.org. Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Mr. Rustom or by printing Sections 67.1 et seq. of the San Francisco Administrative Code on the Internet, at <http://www.sfgov.org/sunshine>.

Prohibition of Ringing of Sound Producing Devices:

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

Lobbyist Registration and Reporting Requirements:

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code Sections §2.100 – 2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

CEQA Appeal Rights under Chapter 31 of the San Francisco Administrative Code:

If the Commission approves an action identified by an exemption or negative declaration as the Approval Action (as defined in S.F. Administrative Code Chapter 31, as amended, Board of Supervisors Ordinance Number 161-13), then the CEQA decision prepared in support of that Approval Action is thereafter subject to appeal within the time frame specified in S.F. Administrative Code Section 31.16. Typically, an appeal must be filed within 30 calendar days of the Approval Action. For information on filing an appeal under Chapter 31, contact the Clerk of the Board of Supervisors at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102, or call (415) 554-5184. If the Department's Environmental Review Officer has deemed a project to be exempt from further environmental review, an exemption determination has been prepared and can be obtained on-line at <http://sf-planning.org/index.aspx?page=3447>. Under CEQA, in a later court challenge, a litigant may be limited to raising only those issues previously raised at a hearing on the project or in written correspondence delivered to the Board of Supervisors, Planning Commission, Planning Department or other City board, commission or department at, or prior to, such hearing, or as part of the appeal hearing process on the CEQA decision.



MEMORANDUM

September 2, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Doreen Woo Ho

FROM: Monique Moyer *mm*
Executive Director

SUBJECT: Request approval for a San Francisco Port Commissioner to travel with Port staff to Shanghai, China for the 16th Friendship/Sister Ports Conference

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

The 16th Friendship/Sister Ports Conference and the 4th Pacific Ports Clean Air Collaborative Conference sponsored by Shanghai Municipal Transportation Commission will be held in Shanghai, China on October 27-29, 2015. The Port of Shanghai is China's most populous city, the world's second busiest seaport, and one of the world's largest cities by area. The Port of Shanghai is China's leading commercial and financial center, and it has been called the world's fastest-growing economy.

Executive Summary:

Port staff requests that the Port Commission approve Port Commission President Leslie Katz's travel to Shanghai, China to attend the 16th Friendship/Sister Ports Conference on October 27-29, 2015. This trip will give the Port Commissioner and Port staff an opportunity to represent the Port of San Francisco at the conference and meet and exchange ideas with leaders from our sister ports.

Background:

The 16th Friendship/Sister Ports Conference taking place in Shanghai, China on October 27-29, 2015 will be attended by leaders of many of the Port of San Francisco's sister ports, including the Ports of Le Havre (France), Melbourne (Australia),

THIS PRINT COVERS CALENDAR ITEM NO. 10A

Osaka (Japan) and Shanghai (China). The Sister Ports program has long served the Port of San Francisco as an opportunity to promote trade, exchange information and deepen cultural understanding with the participating ports. Focusing on these goals, the first Sister Ports Conference was held in 1982, with subsequent conferences being held at regular intervals. The Port of San Francisco hosted the 13th Sister Ports Conference in 2007 with the theme "Sustainable Ports: Building Environmental Improvement into Economic Success." The Sister Port relationship with the Port of Shanghai was established in 2007.

The topics of discussion for the 16th Friendship/Sister Ports Conference are as follows:

1. Sister Ports Development Updates
2. Coping with Challenges of Mega-Vessels and Intensified Shipping Lines Alliance
3. Application of Nautical Technology to Low Visibility Under Bad Weather Conditions: Vessels "Blind" Piloted to Port
4. Opportunities and Challenges of Cruise Economy to Port
5. Case Studies of Automated Terminals and Growth Outlook on Operation, Productivity and Environmental/Business Mode Innovation & Cross-Trade Integration (E-Commerce)
6. Shipping Trend & Global Hub Ports Layout in the Coming 20 Years (on Operation, Productivity and Environment)

Nearly one hundred experts and representatives from the China Ministry of Transport, relevant agencies from the Shanghai Municipality and from the community of ports and shipping will attend the conference. Port Commissioner and Port staff attendance at the conference will deepen and strengthen the trade/sister relations among sister ports and eventually contribute to the development of global port economies and the shipping industry as well as establish working relationships with other attendees of the meeting.

In addition to the ports listed above, other Sister Ports of the Port of San Francisco are the Port of Cork (Ireland), the Port of Acapulco (Mexico) and the Port of Haifa (Israel). The 16th Sister Ports Conference in Shanghai will include the Port of Shanghai's sister/friendship ports of Busan (Korea), Oakland (USA), Los Angeles (USA), and Antwerp (Belgium).

Recommendation:

Attached, for your approval, is a resolution authorizing Port Commission President Leslie Katz's travel with Port staff to Shanghai, China on October 27-29, 2015. The cost of this trip is covered in the Port Commission's approved Fiscal Year 2015-2016 budget.

Prepared by:	Amy Quesada Port Commission Secretary
For:	Monique Moyer Executive Director

**PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO
RESOLUTION NO. 15-26**

- WHEREAS, The Port of San Francisco has participated in the Sister Ports program since it was established in 1967; and
- WHEREAS, The first Sister Ports Conference was held in 1982, with subsequent conferences being held at regular intervals; and
- WHEREAS, The Sister Ports program has served the Port of San Francisco as an opportunity to promote trade, exchange information and deepen cultural understanding with the participating ports; and
- WHEREAS, The Port of San Francisco has long been an active participant in the Sister Ports program and hosted the 13th Sister Ports Conference in 2007; and
- WHEREAS, The 16th Friendship/Sister Ports Conference taking place in Shanghai, China on October 27-29, 2015, will be the next gathering of our Sister Ports; and
- WHEREAS, Each participating port will make presentations and hold discussions in the latest port technology, managerial experience and development forecast, to name a few; and
- WHEREAS, Attendees from the Port of San Francisco will present and discuss opportunities and challenges of cruise economy to ports; and
- WHEREAS, Attendance of Port Commissioner and Port staff at the conference will deepen and strengthen the trade relations among sister ports and eventually contribute to the development of global port economies and the shipping industry and establish new working relationships with other attendees; and
- WHEREAS, Port staff requests approval for Port Commission President Leslie Katz and Port staff to travel to Shanghai, China to attend the 16th Friendship/Sister Ports Conference on October 27-29, 2015; and
- WHEREAS, The cost of this trip is covered in the Port Commission's approved Fiscal Year 2015-2016 budget; now, therefore be it
- RESOLVED, That the Port Commission hereby approves this travel request.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of September 8, 2015.

Secretary



MEMORANDUM

September 2, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Doreen Woo Ho

FROM: Monique Moyer *M Moyer*
Executive Director

SUBJECT: Request approval of a resolution of support for the San Francisco Bay Area Water Trail, being implemented by the California Coastal Commission.

DIRECTOR'S RECOMMENDATION: Approve Resolution

At its meeting on July 14, 2015, the Port Commission heard an informational presentation regarding the Water Trail project and the process to designate Water Trail Landings. At that meeting, Commission President Leslie Katz requested that the Port Commission formally approve a resolution of support for the Water Trail, which is newly drafted attached hereto. Furthermore, material additions to the July 9, 2015 staff memorandum are presented herein as double underlined text.

Executive Summary

The California State Legislature enacted the Water Trail Act (AB 1296) in 2005 establishing the San Francisco Bay Area Water Trail (Water Trail). The Water Trail program strives to create a growing network of trailheads, launching and landing sites that enables people in human powered boats and beach-able sail craft to enjoy the historic, scenic, cultural, and environmental richness of San Francisco Bay through multiple-day and single-day trips on the Bay. The Water Trail is an integral part of the Port's waterfront open space plan and program of public benefits and is a component of the Blue Greenway¹ and complements the Bay Trail².

THIS PRINT COVERS CALENDAR ITEM NO. 10B

¹ The Blue Greenway is a City of San Francisco project to improve and expand the public open space network along the City's central and southern waterfront, from China Basin Channel to the San Francisco County Line. The Blue Greenway incorporates both the Bay Trail and Bay Area Water Trail goals within its program.

² The San Francisco Bay Trail is a 500-mile shoreline walking and bicycling path that will one day encircle the Bay through nine counties and provide scenic recreation for hikers, joggers, bicyclists, skaters and wheelchair riders.

The State Coastal Conservancy is leading the implementation of the Water Trail in collaboration with the Association of Bay Area Governments (ABAG), the San Francisco Bay Conservation and Development Commission (BCDC), and the California Division of Boating and Waterways. The San Francisco Bay Area Water Trail Enhanced Water Trail Plan (Water Trail Plan) was adopted and San Francisco Bay Area Water Trail Plan Final Environmental Impact Report was certified by the Coastal Conservancy on March 17, 2011.

Port of San Francisco

As illustrated in *Attachment 1, Bay Area Water Trail Map*, the Water Trail is a growing network of access sites (or "trailheads") that will help people using non-motorized, small boats such as kayaks, canoes, dragon boats, stand-up paddle and wind-surf boards (human-powered boating) to safely enjoy single and multiple-day trips around San Francisco Bay. This regional trail has the potential to enhance Bay Area community connections to the Bay and to create new linkages to existing shoreline open spaces and other regional trails such as the Bay Trail. Site owners and managers join the Water Trail on a voluntary basis. Since 2001, the Port has actively participated in the planning of the Water Trail through its work with Bay Access, the organization that initiated the idea and championed the state legislation (AB 1296) establishing it.

As illustrated in *Attachment 2, San Francisco Bay Area Water Trail Sites Aquatic Park to Heron's Head Park*, the Port has invested significantly to expand the Water Trail as an integral part of creating new waterfront parks and open space, as well as access from water to the many landside attractions along the Port waterfront. The Port has and will continue to work with recreational boater enthusiasts to improve access to the Bay and to maintain facilities so that access to the Bay continues to serve as a part of the Port's open space system.

To be recognized as an official designated Water Trail Site, a site owner or steward must seek Water Trail designation from the Coastal Conservancy through coordination with ABAG. As the Port's facilities provide great public benefits for water recreation, the Port is currently working with the Water Trail agencies to evaluate whether they would formally qualify as Water Trail Sites as more fully described below.

Next Steps

The Port will apply for site designations for those sites deemed appropriate and will pursue grant funding to improve certain sites, including funds for a restroom at Islais Landing.

Recommendation

Port staff recommends that the Port Commission approve the attached resolution and submission of a letter of support for the Bay Area Water Trail.

Prepared by: David Beaupre, Senior Waterfront Planner
For: Byron Rhett, Deputy Director
Planning and Development

Attachment 1 - Bay Area Water Trail Map

Attachment 2 - San Francisco Bay Area Water Trail Sites Aquatic Park to Heron's Head Park

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 15-27**

- WHEREAS, the California State Legislature enacted the Water Trail Act (AB 1296) in 2005 establishing the San Francisco Bay Area Water Trail (Water Trail), a growing network of launching and landing sites that allows non-motorized small boat users to better enjoy the historic, scenic, cultural, and environmental richness of San Francisco Bay; and
- WHEREAS, the Water Trail is implemented under the leadership of the State Coastal Conservancy, working in close collaboration with the Association of Bay Area Governments, the San Francisco Bay Conservation and Development Commission, and the California Division of Boating and Waterways; and
- WHEREAS, the Water Trail benefits the region by improving and increasing recreational access for non-motorized small boat use by persons of all abilities; and
- WHEREAS, the Water Trail fosters stewardship of the Bay and reduces impacts to sensitive wildlife and habitat through education of boaters; and
- WHEREAS, the Water Trail provides economic benefits to waterfront and water-oriented businesses by promoting opportunities for single and multi-day excursions on the Bay; and
- WHEREAS, the Port of San Francisco has collaborated with Water Trail stakeholders and partner agencies on improving the San Francisco waterfront for non-motorized recreational boaters through planning, design, construction and maintenance of facilities; and
- WHEREAS, the Port of San Francisco recognizes the benefits of non-motorized small boat recreation on the Bay and wants to encourage this activity as part of a regional trail network; now, therefore be it
- RESOLVED, that the Port of San Francisco officially endorses the concept of the San Francisco Bay Area Water Trail.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of September 8, 2015.

Secretary



MEMORANDUM

September 2, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Doreen Woo Ho

FROM: Monique Moyer *MMoyer*
Executive Director

SUBJECT: Request approval to amend the previously approved supplemental appropriation to Fiscal Year 2015-16 Capital Budget by including 10 additional projects and increasing project funding by \$6.2 million

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

Executive Summary

On February 21, 2014 in Resolution 14-12, the Port Commission approved the Port's proposed \$12.8 million Fiscal Year (FY) 2015-16 Capital Budget, which was subsequently incorporated into the Mayor's Budget and adopted by the Board of Supervisors in the City and County of San Francisco's Annual Appropriation Ordinance (AAO).¹ Then on February 10, 2015 in Resolution 15-06, the Port Commission approved a request to introduce supplemental appropriation legislation to the Board of Supervisors to add seven projects to the capital budget and increase funding by \$19.5 million, bringing the total FY 2015-16 Capital Budget to \$32.3 million. This legislation has not yet been submitted to the Capital Planning Committee and Board of Supervisors for approval.

Port staff now seeks approval to add 10 more projects and increase funding by \$6.2 million for a \$25.7 million total supplemental appropriation. Should this request be approved, the Port's FY 2015-16 Capital Budget would be an unprecedented \$38.5 million. This extraordinary capital investment recommendation is derived from one-time revenue, a strong FY 2014-15 resulting in greater than expected operating surplus and closing out completed capital projects of prior years.

THIS PRINT COVERS CALENDAR ITEM NO. 11A

¹ The Port Commission approved the Port's Proposed Biennial Operating and Capital Budgets for Fiscal Year (FY) 2014-15 and FY 2015-16.

This \$6.2 million increase is funded by \$5.5 million in FY 2014-15 year-end surplus and \$0.7 million from the 2011 settlement of the Cosco Busan oil spill that occurred in 2007. Additionally, staff proposes reallocating \$0.9 million in previously approved project funding to new projects, as detailed below. A list of all previously approved and newly requested projects is attached hereto as *Exhibit I – Proposed Capital Budget*.

Following Port Commission approval of this item, Port staff will submit the capital project supplemental to the City's Capital Planning Committee for review and approval prior to moving the legislation forward to the Board of Supervisors.

Strategic Objective

The Port does not generate sufficient revenue to keep pace with capital renewal requirements and faces an estimated \$1.1 billion backlog in capital repairs over the coming 10 years. To tackle this central problem, the Port Commission adopted a capital policy to allocate a minimum of 20 percent of operating revenue, increasing to 25 percent in FY 2017-18, to capital investment and has a stated policy to invest one-time and surplus revenue in capital projects. This additional supplemental appropriation will be used entirely to address repair and replacement needs identified in the 10-year Capital Plan.

The proposed supplemental appropriation allocates projected FY 2014-15 operating surplus and project savings to strategic capital investment. The project recommendations are consistent with the scoring criteria which Port staff has deployed since 2010 to evaluate capital project requests (see *Exhibit II – Project Scoring Criteria*). A Capital Project Technical Review Committee, comprised of 10 Port staff with representation from each division, reviewed and scored the projects based upon their ability to address one or more of these strategic priorities:

- (i) Address a safety, health, code, or regulatory issue or threat to the environment;
- (ii) Significantly reduce potential liability to the Port;
- (iii) Promote commerce, navigation or fisheries;
- (iv) Attract people to the waterfront;
- (v) Promote natural and cultural resources;
- (vi) Preserve existing Port revenues; and/or
- (vii) Generate and/or leverage additional revenues for the Port.

Port staff believes the scoring process yields the most strategic capital investments to advance the Port's mission and improve the Port's financial position. Port staff submitted to the Technical Review Committee a total of 26 potential projects valued at \$44.9 million, as detailed in *Exhibit III – Project Submissions*. The previously approved supplemental appropriation request included seven of these projects; this new proposal includes 10 additional projects from this list that meet the above key strategic priorities. Two of these projects will improve the Port's financial stability by increasing annual revenues by an estimated \$0.7 million.

Funding Adjustment

In Resolution 15-06, the Port Commission approved \$2.9 million in project funding to serve as the Port's matching contribution of a \$15.8 million United States Army Corp of Engineers' (USACE) project to dredge the Central Basin (Central Basin Dredging, CPO-936-01). The USACE now projects a project cost of \$12.8 million, which reduces the Port's matching contribution to \$1.9 million. As a result, Port staff recommends reducing this project funding by \$0.9 million, to \$2.0 million, to fund the estimated matching contribution and a modest project contingency. This change allows the Port to direct funds to other priority projects that are detailed below.

The project cost estimate reflects a changed project scope to dredge 32 feet mean lower low water (MLLW) level, rather than 35 feet as previously assumed. Port and BAE staffs are reasonably confident that the reduced depth is sufficient to keep the BAE shipyard competitive and allow it to serve military and commercial ships. If this project succeeds in the federal approval process, the USACE will complete this initial dredging and then assume all costs for future dredging of the Central Basin, which will require several million dollars of federal funding every decade.

The importance of securing this ongoing source for dredging cannot be overstated. Dredging the Central Basin is critical for supporting maritime operations. Funding this initial project will provide a long term external financing solution for ongoing Central Basin dredging. Ensuring that the Central Basin remains properly dredged supports ongoing shipyard operations, which protects approximately \$0.7 million annual Ship Repair income to the Port as well as trades jobs in the City.

Newly Proposed Capital Projects

The 10 newly proposed capital projects are detailed below with the project name, project number, location on the Waterfront, funding request amount and description, including key rationale for prioritization.

The following three projects continue improvements in the Northern Waterfront Historic District neighboring the new James R. Herman Cruise Terminal. Upon completion, Pier 27-31 will be ready for new leasing opportunities that maximize Port revenues while enhancing the experiences of the public.

1. Beltline Building, Phase II (CPO-930-03, Northern Waterfront), \$664,000

As part of the James R. Herman Cruise Terminal complex at Piers 27 and 29, the currently vacant Beltline Building is positioned to be an excellent retail opportunity site that serves cruise passengers, park visitors, tourists and residents walking along the Embarcadero. Phase I of the Beltline Building project is underway, with the construction of a new public restroom on the pier-side of the facility. This second-phase project supports miscellaneous upgrades to the property in anticipation of leasing the building through a Request for Proposal (RFP) process. Providing shell improvements to the facility would provide the basic infrastructure necessary to allow future lessees to be responsible for their own tenant improvements. Examples of the improvements that are contemplated in this request include ADA ramps and elevator, upgrades to the exterior

stairs, relocating a utility closet, new electric service, a new sewer line and historic feature repairs including to windows and door frames.

Based on an assumed monthly parameter rent of \$5.00 per square foot over 1,096 square feet of retail space on the first floor and \$3.00 per square foot over 4,600 square feet of office space on the second floor, as well as a one year lease-up period and a 3 percent vacancy rate, the projected annual income for the facility is \$0.1 million when fully leased. The total estimated net income will be \$0.2 million over the first 10 years, with an internal rate of return of 15%.

2. Pier 29 Substructure (CPO-778-30, Northern Waterfront), \$728,776

Pier 29 is ideally located between the Port's new James R. Herman Cruise Terminal with approximately 300,000 annual passenger visits and the Alcatraz Island Embarkation with approximately 1.5 million annual passenger visits. In addition to a high volume of visitors, Pier 29 is in the vicinity of several large office complexes including Levi Plaza with thousands of office workers located across the Embarcadero. To accommodate both visitors and local workers, the Pier 29 bulkhead provides an opportunity for unique food and beverage, artisan crafts, locally made products and innovative showrooms for the San Francisco Bay Area's unique products and goods.

While the Pier 29 bulkhead was rebuilt following the 2012 fire, leasing out the facility requires limited substructure repairs to extend the leasable life of the bulkhead from 10 to at least 20 years. The estimated cost of the work is \$2.7 million; while \$2.0 million of the expense may be covered by insurance proceeds from the fire, this funding request meets the remaining funding requirement. Bringing the entire pier substructure into a state of good repair will require further investment in the future.

Based on an assumed monthly parameter rent of \$3.00 per square foot over 20,000 square feet as well as a one year lease-up period and a 3 percent vacancy rate, the projected annual income for the facility is \$0.6 million when fully leased. The total estimated net income will be \$3.2 million over the first 10 years, with an internal rate of return of 23%.

3. Northern Waterfront Historic Pier Structures Repair, Additional Contingency (CPO-930-02, Northern Waterfront), \$1,000,000

Due to a less competitive bidding environment, which is driving up construction costs, Port staff recommends providing an additional contingency for completion of the Northern Waterfront Historic Structures. This will allow staff to proceed with completion of the Beltline Building, Pier 29 substructure improvements and the Pier 31 structure and roof repairs in the event that construction costs exceed the current estimated amounts.

The following four projects address deteriorating infrastructure and environmental issues in the Southern Waterfront.

4. Quint Street Lead, Roadway Repairs (CPO-186-02, Southern Waterfront), \$480,000

The Port is underway with a project to increase capacity of the Quint Street Lead and improve its efficiency and safety by raising the class of the track from "Industrial" to "Class 1". The Quint Street Lead is an approximately nine-tenths of a mile long freight rail spur track connecting the Main Line, owned and operated by the Peninsula Corridor Joint Powers Board (JPB) primarily for Caltrain commuter rail, with the Port of San Francisco cargo terminals and rail yard, located on the south side of Islais Creek, just east of 3rd Street.

Reconstruction of the tracks will necessitate repaving approximately one-third of the street width; however, the entire road is in deteriorated condition. The proposed funding increase will be used to repave the remainder of the street width for three blocks. This scope of work was included in the original project design, but became a bid alternate contingent upon the approval of additional funding after construction estimates came in higher than originally budgeted.

5. Pier 70 Sediment Cap (CPO-794-03, Southern Waterfront), \$300,000

This project is a voluntary cleanup effort to protect human and aquatic health by capping contaminated sediments just offshore from the planned Crane Cove Park. Three-quarters of the sediment cap will be constructed as part of the Crane Cove Park shoreline improvements; however, this funding is required to complete the remaining one-quarter of the cap area that falls outside of the current park scope and budget. Completion of this sediment cap will prevent potential regulatory action by the Regional Water Quality Control Board.

6. Pile Removal, Southern Waterfront (CPO-937-01, Southern Waterfront), \$2,150,000

This project removes deteriorated creosote treated piles and wharf areas that are no longer functional in the Southern Waterfront, ranging from Pier 98 in the south up to Pier 70. In addition to causing blight to the Bayview Community, the creosote on the piles is a mixture of chemicals that pose environmental and health risks. The abandoned wharf areas also pose security risks by allowing waterside access to Port property by vandals and thieves.

The \$2.2 million funding proposal detailed in *Table 2* is part of an overall strategy to address an estimated 267,000 square feet of piles and \$7.2 million funding need for pile removal in the Southern Waterfront. After evaluating the timing of permits to complete work and the availability of alternative funding sources, Port staff recommends taking immediate action to remove piles within Islais Creek at Piers 82 and 84, at the Pier 98 Lash Terminal and at Pier 90, below the water grain silos structures. This proposal leverages \$181,000 in Coastal Conservancy/ Bay Conservation and Development Commission (BCDC) grant funding to address 13,000 square feet of piles at Piers 82 and 84, while directing \$2.1 million in Port capital funding to address a combined 97,000 square feet of piles at Piers 90 and 98.

The remaining project areas at Pier 70 and the Pier 90 Grain Silos each require additional staff effort to secure funding and permits. While the permit process for Pier 70 is projected for completion by the end of this fiscal year, the Port may be able to secure external funding sources for this work, including from the Army Corps of Engineers, by fulfilling The Exploratorium's bay fill removal requirements under the terms of their BCDC permit and their lease agreement with the Port for occupation of Piers 15-17, and/or by leveraging Infrastructure Financing District (IFD) financing options. The Pier 90 Grain Silos permitting process has not been initiated yet and may take up to four years to complete. Port staff will keep the Port Commission apprised of progress in securing both the permits and funding necessary to get the projects underway.

Table 1: Pile Removal Strategy, Southern Waterfront

Pile Location	Islais Creek Piers 82-84	Pier 98 Lash Terminal	Pier 90 Piles & Wharf	Pier 70 Wharves 6/7/8	Pier 90 Grain Silos
Primary Team	Maintenance	Maintenance	Contracted	Contracted	Contracted
Area Square Footage	13,000	21,000	76,000	170,000	37,000
Removal Budget					
<u>Estimated Removal Cost</u>	\$ 181,000	\$ 150,000	\$ 2,000,000	\$ 5,000,000	\$ 1,500,000
<u>Available Funding</u>	\$ 181,000	\$ 150,000	\$ 2,000,000	\$ -	\$ -
Coastal Conservancy	181,000	-	-	-	-
Port, Proposed Funding	-	150,000	2,000,000	-	-
<u>Potential Funding</u>	\$ -	\$ -	\$ -	\$ 5,000,000	\$ 1,500,000
Port, Future Funding	-	-	-	507,393	1,500,000
The Exploratorium*	-	-	-	1,159,274	-
WRDA or IFD**	-	-	-	3,333,333	-
Schedule					
<u>Permit Approval</u>	FY15-16 (Q2)	FY15-16 (Q4)	FY16-17 (Q1)	FY15-16 (Q4)	FY19-20 (Q4)
<u>Construction</u>	FY15-16 (Q3)	FY16-17 (Q1)	FY16-17 (Q2)	FY17-18 (Q1)	FY20-21 (Q1)

* Requires outreach and further approvals
 ** Water Resources Development Act (WRDA); Infrastructure Financing District (IFD)

7. Heron's Head Park Stabilization (CPO-656-07, Southern Waterfront), \$665,000
 Ongoing erosion presents risk to physical integrity of Heron's Head Park, which is a Port asset. Additionally this erosion could eventually become an enforcement risk due to discharge of sediment to San Francisco Bay. This project request is for the full amount of \$665,000 designated for this purpose in the Cosco Busan oil spill settlement. These funds will enable staff to fully scope out the project through engineering design and permitting. When design is complete and ready for construction, Port will have a better

estimate of construction cost, and will seek grant funding for construction. Grants for habitat conservation projects are generally more readily available for "shovel-ready" projects with engineer's cost estimate (included in design scope or work). Alternatively, construction could be implemented in phases based on availability of Port and/or outside source of funds.

The remaining three projects will repair equipment and materials that are necessary to ensure safety for the Public and for Port Maintenance staff.

8. Ferry Terminal Float Repairs (CPO-785-01, Northern Waterfront), \$520,000

Dry dock and completely refurbish two China Basin Ferry Terminal Floats located next to the AT&T ballpark. The China Basing ferry terminal floats were installed in 1999 and the builder's recommendation to dry dock and refurbish the equipment within ten years is now four years overdue. Ensuring ongoing safe performance for this high-volume Giants ballpark ferry service is important to the Port's maritime transportation mission.

9. Ladder/Skylight Retrofit (CPO-778-32, Portwide), \$500,000

This project funding is an initial investment in OSHA-compliant ladders for roof access to all Port buildings that do not currently have ladders as well as OSHA-compliant guards to unprotected skylights on Port rooftops. Employee safety is of critical importance.

10. Emergency Capital Funding (CPO-619-01, Portwide), \$100,000

This project provides funding for unforeseen capital projects which are of an urgent or emergency nature. Emergency projects are those that: (i) adversely affect health and safety if not done immediately; (ii) are required by law to be completed immediately; or (iii) will have a serious adverse impact on Port assets if not done immediately. Funding is also provided for disaster response and recovery.

Recently the Port's property insurance deductible increased from \$500,000 to \$750,000. The emergency capital project funding is currently \$708,000, a level that is insufficient to cover this higher deductible. Port staff is requesting \$100,000 in additional funding to bring the emergency capital project to \$808,000, the minimum level considered adequate by Port management for disaster response and other urgent and/or emergency needs. Not having sufficient available funding to address disaster response and recovery, and emergency projects in a timely manner could have a serious negative impact on the Port and its operations.

Financial Impacts of Proposed Projects

Two of the 10 projects recommended will generate significant additional revenues for the Port as discussed in the project descriptions above. As Table 3 below shows, these proposed improvements are estimated to generate \$0.7 million annually after the facilities are fully leased up (projected to be achieved in year 2), with a combined Net Present Value (NPV) of \$1.8 million over ten years, assuming a 5 percent discount rate

Table 2: Capital Projects with a Quantifiable Net Financial Impact

Project	Beltline Building, Phase II	Pier 29 Substructure Repairs	Total	Net Revenues
Year 0	(664,500)	(2,750,000)	(3,414,500)	
1	49,582	309,229	358,811	(3,055,689)
2	90,916	638,466	729,381	(2,326,308)
3	93,643	657,619	751,263	(1,575,045)
4	96,452	677,348	773,800	(801,245)
5	99,346	697,668	797,014	(4,230)
6	102,326	718,599	820,925	816,695
7	105,396	740,157	845,553	1,662,247
8	108,558	762,361	870,919	2,533,166
<u>9</u>	<u>111,815</u>	<u>785,232</u>	<u>897,047</u>	3,430,213
10 Yr. Net	193,534	3,236,679	3,430,213	
<i>Net Present Value (5%)</i>				1,790,548
* capital project costs are shown in year 0				

Funding Sources

As detailed in *Table 4*, below, the sources of funds for the 10 additional proposed capital projects include 1) reallocating \$0.9 million in previously approved funding from the Central Basin Dredging project, 2) \$5.5 million FY 2014-15 year-end surplus and iii) \$665,000 from Cosco Busan Settlement proceeds.

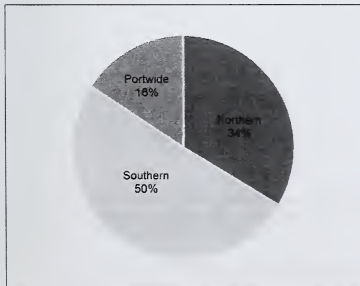
Table 3: Sources and Uses Summary

Location/Project Description	Requested Funding
<u><i>Northern Waterfront</i></u>	
Beltline Building	\$ 664,000
Pier 29 Partial Substructure	\$ 730,000
Northern Historic Waterfront Structures, Contingency	\$ 1,000,000
<u><i>Southern Waterfront</i></u>	
Central Basin Dredging (Adjustment)	\$ (900,000)
Quint Street Lead – Roadway Improvements	\$ 480,000
Pier 70 Sediment Cap	\$ 300,000
Pile Removal, Southern Waterfront	\$ 2,150,000
Heron's Head Stabilization (Cosco Busan Settlement)	\$ 665,000
<u><i>Portwide</i></u>	
Ferry Terminal Float Repairs	\$ 520,000
Ladder/Skylight Retrofit	\$ 500,000
Emergency Capital Fund	\$ 100,000
Total Uses	\$ 6,209,000
 <u>Source of Funds</u>	
	<u>Amount</u>
FY 2014-15, Projected Fund Balance	\$ 5,544,000
Cosco Busan Settlement Proceeds	\$ 665,000
Total Sources	\$ 6,209,000

Southern Waterfront

As detailed in *Figure 1*, half of the proposed capital funding increase is designated to projects in the Southern Waterfront.

Figure 1: Proposed Funding, Allocation by Geographic Area along the Waterfront



Notably, these funds support four projects that will directly benefit the Southern Waterfront. The Quint Street Lead Roadway Improvement project will further strengthen rail infrastructure that boost the Port's efforts to grow cargo business in the Southern Waterfront. The Pier 70 Sediment Cap will protect human and aquatic health while supporting completion of the Crane Cove Park. Removing dilapidated piles from the shoreline reduces blight as well as reduces environmental and security risks. Lastly, the Heron's Head Stabilization project will help ensure that more generations of San Franciscans enjoy the beauty of the Southern Waterfront.

Update on Beautification Efforts

The original FY 2015-16 Capital Budget includes \$0.3 million for Southern Waterfront Beautification projects. Port staff is developing plans to improve the Amador Street and Cargo Way intersection area with new landscaping, port and tenant wayfinding and fencing to improve the appearance of this major corridor. **Climate Action**

On July 8, 2014 the Port Commission reviewed and commented on proposed guidance for incorporating sea level rise into capital planning. In September 2014 the City's Capital Planning Committee (CPC) adopted the guidance.^{2,3} All City departments were directed to use the new framework to assess capital projects with construction costs of \$5 million or more for vulnerability, risk and adaptation options related. CPC then will use the Guidance to determine whether department Capital Plans have adequately addressed sea level rise vulnerabilities.

None of the newly proposed capital projects meet the criteria for requiring a sea level rise assessment. However, Port staff recognizes that the threat of sea level rise greatly impacts infrastructure on the Waterfront. The Port is working closely with BDCD and the City on adaptation strategies for Mission Creek, our lowest lying area. These strategies will inform strategies for other Port properties. The Port is also a key participant in the Mayor's Sea-Level Rise Task Force and will faithfully utilize the adopted guidance and other tools the City develops to address this ongoing challenge.

²Sea Level Rise Committee for the San Francisco Capital Planning Committee. *Guidance for Incorporating Sea Level Rise into Capital Planning In San Francisco: Assessing Vulnerability and Risk to Support Adaptation*, September 22, 2014.

³ Between 1900 and 2000 the level of the Bay rose by seven inches. Scientific forecasts show that water levels could rise another 16 inches or more by 2050 and the California Climate Action Team found that water levels could rise as much as 55 inches in 100 years.

Recommendation

Port staff identified \$6.2 million in additional funding that is available to add 10 capital projects to the FY 2015-16 Capital Budget. The additional projects meet the Port's strategic priorities to improve health and safety, promote maritime recreation, improve the environment and beautify the Southern Waterfront and will generate approximately \$0.7 million in additional revenue annually to improve the Port's financial stability. On this basis, Port staff submits to the Port Commission 10 additional proposed capital projects for inclusion in the supplemental appropriation to be presented to the City's Capital Planning Committee, Mayor and the Board of Supervisors.

Next Steps

Following Port Commission approval of this item, Port staff will submit the proposed additional capital projects to the City's Capital Planning Committee for review and approval prior to seeking approval of the Board of Supervisors.

Prepared by:	Meghan Wallace, Budget Manager Finance and Administration
	Lawrence Brown, Financial Analyst Finance and Administration
For:	Elaine Forbes, Deputy Director Finance and Administration

Exhibit I – Fiscal Year 2015-16 Approved and Proposed Capital Projects

Exhibit II – Project Scoring Criteria

Exhibit III – Additional Capital Projects Submitted for Fiscal Year 2015-16

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 15-28

- WHEREAS, On July 27, 2015, the Board of Supervisors approved a Fiscal Year 2014-15 and Fiscal Year 2015-16 Biennial Operating and Capital Budget in the Annual Operating Ordinance; and
- WHEREAS, On February 10, 2015, the Port Commission adopted Resolution 15-06, approving the funding of seven capital projects through the supplemental appropriation of \$19.5 million for Fiscal Year 2015-16; and
- WHEREAS, Port staff subsequently identified \$5.5 million in FY 2014-15 year-end surplus that may be appropriated for new project uses; and
- WHEREAS, Port staff proposes reallocating \$0.9 million in previously approved project funding to new projects; and
- WHEREAS, The Port was identified as a recipient of \$665,000 in settlement funds from the Cosco Busan oil spill and has identified a remediation project that complies with the required use of those funds; and
- WHEREAS, The Port faces a \$1.1 billion backlog in capital repairs and does not generate sufficient revenues to keep pace with capital renewal requirements and as a result the Port Commission has a stated policy to invest one-time revenue in capital projects; and
- WHEREAS, The Port staff has developed a strategic budget plan to utilize these available funds for other priority capital projects and, therefore, staff recommends approval of the ten capital projects described in the accompanying staff memorandum through a \$25.7 million total supplemental budget appropriation for the Fiscal Year 2015-16 Capital Budget; and
- WHEREAS, The proposed supplemental budget appropriation authorizing expenditure for the proposed projects also must be approved by the City's Capital Planning Committee, Mayor Edwin Lee and the Board of Supervisors; and, now therefore, be it

- RESOLVED, That the Port Commission hereby authorizes an amendment to the previously approved supplemental appropriation for the Fiscal Year 2015-16 Capital Budget by including the proposed additional ten capital projects and the supplemental appropriation of \$25.7 million for Fiscal Year 2015-16, as set forth in the staff memorandum accompanying this Resolution; and be it further
- RESOLVED, That the Port Commission directs staff to submit the proposed capital projects to the City's Capital Planning Committee for their review and approval; and, be it further
- RESOLVED, That the Executive Director is directed to introduce the proposed additional capital projects and related amended supplemental appropriation to Mayor Edwin Lee and the Board of Supervisors for approval.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of September 8, 2015.

Secretary

EXHIBIT I - Fiscal Year 2015-16 Approved and Proposed Capital Projects

<u>Location/Project Description</u>	<u>Amount</u>
<u>Portwide</u>	
Dredging & Materials Testing	\$ 5,464,000
Pier Structures Repair Project - 2nd pile driving crew	\$ 1,481,800
Port Elevator/Escalator Upgrade, Repair & Replacement	\$ 610,000
Homeland Security Improvements	\$ 250,000
Underpier Utilities - capital maintenance project	\$ 250,000
Port Utility Projects	\$ 100,000
Emergency Capital Project Fund	\$ 89,000
<u>Southern Waterfront</u>	
Southern Waterfront Open Space Enhancements	\$ 550,000
Pier 94/96 Storm Drain & Outfall Repair	\$ 500,000
Pier 80/92/96 Track Maintenance Project	\$ 430,000
Pier 70 Historic Core Roadway & Sidewalk Repairs	\$ 400,000
Southern Waterfront Greening & Beautification Proj	\$ 314,200
Pier 80, Container Crane Painting & Upgrade Project	\$ 300,000
<u>Northern Waterfront</u>	
Northern Historic Pier Structures - Retenancing	\$ 900,000
Marina Repairs	\$ 615,000
Wharfs J7 & J8	\$ 300,000
Pier 15/17 Fender Replacement	\$ 246,000
FY 2015-16 Capital Budget	\$ 12,800,000
<u>Portwide</u>	
Seawall Study – Add'l Funding	\$ 1,000,000
<u>Southern Waterfront</u>	
Backlands Project	\$ 8,500,000
Pier 70, BAE Electrical Service Separation	\$ 3,000,000
Central Basin Dredging (Original)	\$ 2,900,000
Quint Street Lead – Add'l Funding	\$ 1,000,000
<u>Northern Waterfront</u>	
Pier 23 Roof Replacement	\$ 2,833,151
Pier 39 Sediment Investigation	\$ 250,000
Approved Supplemental	\$ 19,483,151
<u>Portwide</u>	
Ferry Terminal Float Repairs	\$ 520,000
Ladder/Skylight Retrofit	\$ 500,000
Emergency Fund	\$ 100,000
<u>Southern Waterfront</u>	
Central Basin Dredging (Adjustment)	\$ (900,000)
Quint Street Lead – Roadway Improvements	\$ 480,000
Pier 70 Sediment Cap	\$ 300,000
Pile Removal, Southern Waterfront	\$ 2,150,000
Heron's Head Stabilization (Cosco Busan Settlement)	\$ 665,000
<u>Northern Waterfront</u>	
Beltline Building	\$ 664,000
Pier 29 Substructure	\$ 730,000
Northern Historic Waterfront Structures, Contingency	\$ 1,000,000
Proposed Supplemental Changes	\$ 6,209,000
TOTAL SUPPLEMENTAL	\$ 25,692,151
GRAND TOTAL, USES	\$ 38,492,151

EXHIBIT II – Scoring Criteria for Port Capital Project Funding Requests

The first set of “evaluation” criteria used by the Capital Plan Working Group to score capital project funding requests submitted by the Port’s divisions address public safety and the Port’s mission, as set out in the Burton Act and Transfer Agreement of 1969. The funding requests were scored in increments of five points, up to the maximum specific to each criterion, as follows:

<u>Review Criterion</u>	<u>Maximum Score</u>
Does the project address a code or regulatory issue?	20
Does the project significantly reduce potential liability to the Port?	15
Does the project promote commerce, navigation or fisheries?	10
Does the project attract people to the waterfront?	10
Does the project protect natural or cultural resources?	15

The second set of evaluation criteria used evaluates the payback period and the return on investment of those capital projects that would bring in additional revenue and/or reduce Port operating costs. The first criterion is intended to capture the efficiency of the investment, the second criterion, the scale of the financial impact. These criteria were scored for each project in increments of five points as follows:

<u>Review Criterion</u>	<u>Maximum Score</u>
What is the payback period, if 10 years or less	10
What is the total 10-year financial benefit to the Port?	20

Finally, all projects were reviewed to determine if they fell into one or more of the four major categories listed below. The Capital Plan Working Group determined that a project belonging to one of these groups was worthy of separate consideration either before or after other projects, depending on the category.

Prioritization Category

Is the project required to address an emergency, defined as an immediate threat to human health or the environment?

Is the project legally mandated by a regulatory order or legal judgment?

Is the project substantially matched by outside funding sources?

De-prioritization Category

Is the project non-revenue generating and does it have less than 25% in outside matching funds?

EXHIBIT III - Additional Capital Projects Submitted for Fiscal Year 2015-16

	<u>Amount</u>
<i>Fisherman's Wharf:</i>	
<i>Pier 39 Sediment Investigation (previously approved)</i>	<i>\$250,000</i>
Pier 45 Ice Machine	600,000
Subtotal Fisherman's Wharf	850,000
<i>Northeast Waterfront:</i>	
Pier 23 Roof Replacement (previously approved)	2,833,151
<i>Northern Historic Facility Structures, Contingency (New Request)</i>	<i>1,000,000</i>
Pier 23 Bathroom Upgrade	550,000
Northern Waterfront Wayfinding Project	300,000
Seawall Lot 322-1 Parking Garage	5,610,000
Beltline Building Improvements	664,444
Pier 29 Bulkhead Building Substructure Repair	2,750,000
Subtotal Northeast Waterfront	13,707,595
<i>Ferry Building Area:</i>	
Agricultural Building Front Door Repair	132,000
Subtotal Ferry Building Area	132,000
<i>South Beach Area</i>	
Ferry Terminals Float Repairs – Add'l Funding	520,000
Subtotal South Beach Area	520,000
<i>Southern Waterfront:</i>	
Central Basin Dredging (previously approved)	2,900,000
BAE Electrical Service Separation (previously approved)	3,000,000
Quint Street Lead Project – Additional Funding (previously approved)	1,000,000
Backlands Project (previously approved)	8,500,000
<i>Heron's Head Park Stabilization (New Request)</i>	<i>665,000</i>
<i>Pier 70 Sediment Cap Project</i>	<i>300,000</i>
<i>Southern Waterfront Pile Removal (New Request)</i>	<i>2,150,000</i>
Pier 70 Waterfront Development Site Predevelopment Cost	4,000,000
Port Cargo Crane Spreader	760,000
Piers 80/92/96 Rail Track Upgrades	1,660,000
Subtotal Southern Waterfront	24,935,000
<i>Portwide Projects:</i>	
Seawall Study and Repairs – Additional Funding	1,000,000
<i>Emergency Capital Project Fund (New Request)</i>	<i>100,000</i>
Portwide Parking Lot Lighting Project	450,000
GIS Facility Management – Highest and Best Use Study	425,000
Climate Change Study Grant Match	200,000
Ladder and Skylight Retrofit Project	500,000
Pier 80 Sewer Upgrade Project	2,100,000
Subtotal Portwide Projects	4,775,000
Total Project Funding Requests	\$44,919,595



MEMORANDUM

September 2, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Doreen Woo Ho

FROM: Monique Moyer *MMoyer*
Executive Director

SUBJECT: Request approval for Lease No. L-15908 for premises located at Pier 33½ in the Northern Waterfront between the Port of San Francisco and of Queen's Louisiana Po'-Boy Café, LLC ("Queen's") for a term of 5 years (This action constitutes the Approval Action for the project for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code)

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

I. EXECUTIVE SUMMARY

The Port Commission approved Resolution 14-24 on April 22, 2014 for the issuance of a Request for Proposal ("RFP") for a recently renovated ground level space within Pier 33½. The Port, through its Director of Real Estate, Susan Reynolds, issued the RFP through an extensive outreach to Community Based Organizations (CBO).

Port staff made an informational presentation on January 13, 2015 regarding the Selection panel's recommendation and scoring that Queen's was the most qualified Respondent to the RFP.

On February 10, 2015 Port Commission approved Resolution 15-03 authorizing Port staff to enter into exclusive negotiations with Queen's. Port staff and Queen's have diligently been finalizing the terms of the lease including a satisfactory level of improvements, the time required to permit and construct the improvements along with an associated budget for the improvements.

As authorized by the Port Commission in Resolution 15-03, Port staff entered into an exclusive negotiation period with Queen's. The exclusive negotiating period was

THIS PRINT COVERS CALENDAR ITEM NO. 12A

extended beyond the 60-day period with the Port's consent for Tenant to provide additional information requested by the Port as well as complete additional Landlord work to the Premises necessary for compliance with Fire Code. The Tenant has now provided the Port the requested information and the Landlord work has been completed. Port staff have concluded negotiations with Queen's under the terms and conditions outlined in the staff report and requests authorization to approve Lease L-15908.

II. PROJECT OBJECTIVE

The Port wishes to expand opportunities to small local business enterprises and therefore competitively offered this opportunity on a targeted basis to those small businesses currently working with San Francisco community-based organizations that provide technical assistance to Local Business Enterprises (LBE).

Queen's, as the successful Respondent, proposed a retail use that serves the northern waterfront visitors, neighbors and local workforce employees. This opportunity provides a chance for a small business to grow and expand which results in increased revenue, expanded product/goods sales and job creation for local residents.

Port staff recommended that Queen's be awarded this pilot opportunity because their proposal best meets the stated criteria for an LBE and based on the recommendation of the selection panel that (i) the proposal is the most creative use; (ii) the proposal is supported by a strong business plan and financing; and (iii) Queen's is committed to ongoing technical assistance that it receives from its CBO, Bayview Hunter's Point Renaissance Entrepreneurship Center with which it is a client.

III. QUEEN'S LOUISIANA PO'-BOY CAFE

Queen's is owned and managed jointly by husband and wife Troy Reese and Danielle Reed Reese. The Reese's have owned and successfully operated Queen's restaurant at 3030 San Bruno Avenue in San Francisco for over five years. They are residents of San Francisco and Danielle attended culinary school at San Francisco City College. Queen's is a client of the Renaissance Entrepreneurship Center, a leading Bay Area community based organization which provides advisory services to small businesses. Queen's was awarded a Certificate of Honor by the Board of Supervisors for District 9, rates 4 out of 5 stars on Yelp reviews and its Po' Boy Oyster sandwich is listed in SF Scoop as one of San Francisco best sandwiches.

In their executive summary portion of the proposal Danielle and Troy share the following vision: "Queen's Louisiana Po'-Boy Café offers authentic Cajun cuisine. Louisiana is at the heart of our unique culture created by the fusion of African, Native American and European Ancestry. Our menu is packed with over-stuffed sandwiches and dishes that originated in the heart of New Orleans. Our true claim to authenticity is our relationship building in the community. We have created an atmosphere of warmth and southern hospitality with an emphasis on the culture of Louisiana. Since 2009, Queen's Louisiana has been resilient and successful because of the sense of community we contribute to on San Bruno Avenue in San Francisco Bayview neighborhood."

The rationale behind its expansion proposal is as follows: "The opportunity to expand onto Pier 33½ overall means more visibility for our existing restaurant, increased revenue streams and lower barrier to entry for other small businesses. It means that there is a business located in Portola / Bayview neighborhood that is African American-owned and is not simply surviving but thriving. Our Pier 33½ site will give tourists a taste of San Francisco's rich and diverse neighborhoods."

Capital and Initial Operating Budget

Queen's has budgeted up front capital investment into Port property as follows:

- \$250,000 for building improvements
- \$100,000 for kitchen improvements
- \$ 10,000 for advertising
- \$ 10,000 for legal
- \$130,000 for start-up, payroll and food costs

Queen's has supplied evidence of capital.

IV. TERMS

The Lease term will be five years. As is the Port's custom for retail properties, rent will be paid as the greater amount of either base rent or percentage rent. The proposed minimum base rent as set in the Port Commission's FY 2013-14 Rental Rate Schedule is as follows:

512 square feet	@ \$2.50 = \$1,280 per month
1,430 square feet	@ \$2.50 = \$3,575 per month
1,942 square feet	@ \$2.50 = \$4,855 per month (total)

OR 7% of gross retail sales, whichever is greater. The monthly base rent will increase annually by 3%.

The security deposit will equal twice the base rent in the last year of the lease. Tenant will be required to provide evidence of the requisite insurance in the amount and types required by the standard Port lease. Tenant will be required to comply with all other standard Port lease terms, including Port's right to terminate, audit rights, default and remedy, indemnity, and hazardous materials provisions and all applicable City laws and Port policies.

A possible option period could be considered should the tenant reach successful benchmarks.

Tenant:	Queen's Louisiana Po-Boy Café, LLC, a California limited liability company			
Premises:	Two non-contiguous parcels of shed space in Pier 33½, San Francisco, California which is comprised of: <u>Parcel A</u> of approximately 1,430 square feet; and <u>Parcel B</u> of approximately 512 square feet.			
Length of Term:	Sixty (60) months.			
Commencement Date:	The later of (i) November 1, 2015; or (ii) the date of Port's execution.			
Rent Commencement Date:	The two hundred seventy-first (271st) day after the Commencement Date.			
Expiration Date:	The last day of the sixtieth (60th) month after the Commencement Date.			
Monthly Base Rent:	Months	Sq. Ft.	Monthly Base Rate	Total Monthly Base Rent
Parcel A Parcel B	1-12	1,430	\$2.50	\$3,575
		512	\$2.50	<u>\$1,280</u> \$4,855
Parcel A Parcel B	13-24	1,430	\$2.58	\$3,689.40
		512	\$2.58	<u>\$1,320.96</u> \$5,010.36
Parcel A Parcel B	25-36	1,430	\$2.65	\$3,789.50
		512	\$2.65	<u>\$1,356.80</u> \$5,146.30
Parcel A Parcel B	37-48	1,430	\$2.73	\$3,903.90
		512	\$2.73	<u>\$1,397.76</u> \$5,301.66
Parcel A Parcel B	49-60	1,430	\$2.81	\$4,018.30
		512	\$2.81	<u>\$1,438.72</u> \$5,457.02
Percentage Rent:	Percentage Rent shall be seven percent (7%) of Gross Revenues.			

Security Deposit:	Ten Thousand Nine Hundred Fourteen Dollars and Four cents (\$10,914.04).
Permitted Use:	<u>Parcel A</u> shall be used solely for the build-out and operation of a casual and take-out café. <u>Parcel B</u> shall be used solely for the build-out and use of administrative offices, storage of inventory, equipment, and cleaning supplies and a waste management area to support the operations of the café.
Initial Tenant Improvements:	Tenant must complete the following Initial Tenant Improvements: construction and build-out of a dining area, kitchen, office, and storage area. Tenant estimates the cost of the Initial Tenant Improvements to be approximately Three Hundred Fifty Thousand Dollars (\$350,000.00).
Maintenance and Repair:	Tenant's sole responsibility.
Utilities:	Tenant's sole responsibility.
Contractor's Bond:	Tenant shall provide contractors' payment and performance bond(s) in an amount equal to One Hundred percent (100%) of the construction costs of the Initial Tenant Improvements in a form acceptable to Port as described in the Work Letter.
Insurance:	Tenant shall provide standard insurance coverage acceptable to Port and City Risk Manager.
City Requirements:	The lease includes provisions requiring tenant to comply with all applicable City laws, including but not limited to, Non-Discrimination, First Source Contributions, Prevailing Wages, and other applicable laws.

The terms of the lease reflect the terms outlined above and also incorporate other terms generally included in Port retail leases where tenants are making improvements, such as an initial period of rent abatement to allow the tenant to construct or improve the Premises. Since the premises are in shell condition, Port staff proposes rent abatement for the initial nine (9) months of the lease term to allow sufficient time for permits, construction of the tenant improvements to provide a brief start-up period for the new operation. The total proposed rent abatement is \$43,650 which represents approximately 8.75% of the estimated project costs based on Queen's budget of approximately \$350,000 for improvements plus an additional \$150,000 for start-up costs.

V. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

An Environmental Evaluation application was filed in March 2015. On March 18, 2015, the City Planning Department issued a Class 1 Categorical Exemption certificate for the

Pier 33½ project (2015-003363 ENV).¹ This exemption concludes the environmental review of the project and allows the Port Commission to take action on the lease.

If the Port Commission approves the proposed Lease through the attached Resolution based on these categorical exemptions, its action constitutes the "Approval Action" (as defined in S.F. Administrative Code Chapter 31, as amended, Board of Supervisors Ordinance Number 161-13). As such, the CEQA decision prepared in support of this Approval Action will be subject to appeal within the time frame specified in S.F. Administrative Code Section 31.16. Typically, an appeal must be filed within 30 calendar days of the Approval Action.²

VI. RECOMMENDATION:

It is Port staff's strong belief that Queen's Louisiana Po-Boy Cafe will enhance the Port's retail operations by providing diversity in dining options, employment and ownership. Queen's represents an exciting launch to the Pilot LBE Retail Program and we look forward to their success.

At the time of the publication of this staff report, Queen's Louisiana Po-Boy Café, LLC 's attorney is reviewing the lease. Port staff recommends the Port Commission approve the attached Resolution for Queen's Louisiana Po'-Boy Café, LLC. If there are substantial changes to the Lease, Port staff will come before Port Commission for approval.

Prepared by: Jay Edwards
Senior Property Manager

Robert Davis
Principal Administrative Analyst

Vicky Lee
Property Manager

Prepared for: Susan Reynolds,
Deputy Director Real Estate

Attachments

1) Site location map and site plan

¹ The California Environmental Quality Act (CEQA) allows for certain exemptions from CEQA. Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The types of "existing facilities" itemized below are not intended to be all-inclusive of the types of projects which might fall within Class 1. Examples include but are not limited to:(a) Interior or exterior alterations involving such things as interior partitions, plumbing, and electrical conveyances;

² For information on filing an appeal under Chapter 31, see the Port Commission agenda under NOTICES and contact the Clerk of the Board of Supervisors at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102, or call (415) 554-5184.

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 15-29

- WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control Port area of the City and County of San Francisco; and
- WHEREAS, pursuant to Port Commission Resolution No. 93-52 as amended by Resolution No. 11-15 in March 2011 (the Retail Leasing Policy), it is the policy of the Port Commission to competitively bid retail leasing opportunities; and
- WHEREAS, on April 22, 2014, the Port Commission approved the issuance a Request for Proposals ("RFP") (Port Commission Resolution No. 14-24), for a retail opportunity located at Pier 33 North (Pier 33½) for the development and operation of a retail business on the site; and
- WHEREAS, on February 10, 2015 by Resolution 15-03 the Port Commission awarded the opportunity to Queen's Louisiana Po'-Boy Cafe, LLC (Queen's) and authorized Port staff to enter into exclusive negotiations with Queen's, and
- WHEREAS, the Planning Commission issued a Categorical Exemption #2015-003363ENV, Class 1 (State CEQA Guidelines Section 15332) for Queen's; and
- WHEREAS, the Lease includes the terms and conditions as described in the staff report for a 5-year retail Lease to improve and operate a casual dining restaurant at Pier 33½; and
- WHEREAS, the Lease will require Queen's to make a capital investment for base building and tenant improvements ("improvements") estimated at a minimum of \$350,000 dollars; further the Lease provides for a rent abatement period of nine months which equates to \$43,650 for the purpose of permitting and constructing the improvements and partially offsetting the cost of the improvements; and, now, therefore be it
- RESOLVED, the Port Commission approves the Lease and authorizes the Executive Director or her designee to execute the Lease; and, be it further

RESOLVED, that the Port Commission authorizes the Executive Director to enter into any additions, amendments or other modifications to the Lease that the Executive Director, in consultation with the City Attorney, determines to be in the best interest of the Port, do not materially increase the obligations or liabilities of the City or Port, and are necessary or advisable to complete the transactions which the Lease contemplates and effectuate the purpose and intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the Executive Director of the Lease, and any such amendments thereto.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of September 8, 2015.

Secretary



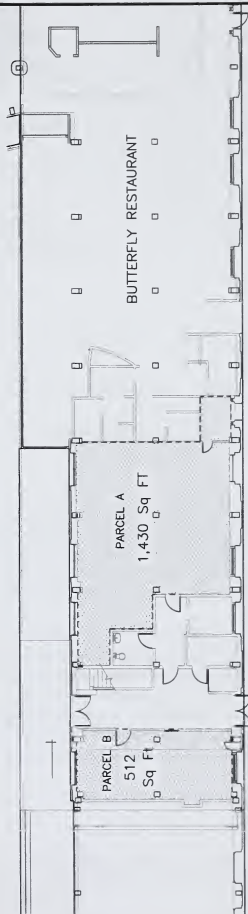
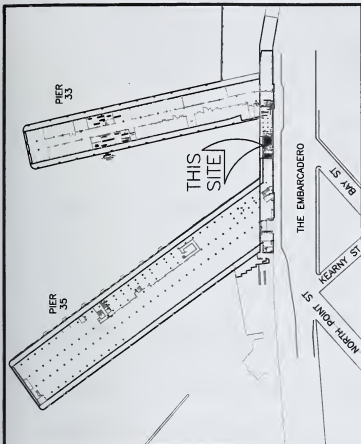
QUEEN'S LOUISIANA
PO-BOY CAFE, LLC.

PARCEL A = 1,430 Sq Ft
PARCEL B = 512 Sq Ft

TOTAL LEASABLE = 1,942 Sq Ft
AREA

EXHIBIT A

INITIALS: PORT: _____ TENANT: _____ DATE: _____



LEASE NO.

L-15908

SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

TENANT

QUEEN'S LOUISIANA
PO-BOY CAFE, LLC.

DRAWN BY: ECC

CHECKED BY: V. LEE

PLACE CODE NO.

1335-00

DATE: JAN 16, 2013

SCALE: 1" = 20'

SHEET NO.

1335-00

OF

SHEETS



MEMORANDUM

September 2, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Doreen Woo Ho

FROM: Monique Moyer *M Moyer*
Executive Director

SUBJECT: Approval of Amended Maritime Industry Preservation Policy

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

Executive Summary

The Port of San Francisco, California's oldest public port, continues to have one of the most varied maritime business portfolios in the nation. Its 7½-mile waterfront is home to cruise and cargo shipping; ferries, excursion boats, and water taxis; tugs, barges, and harbor services; commercial fishing and recreational marinas; ship repair and railroad service; ready-reserve ships and labor union hiring halls, to name just a few.

In 2011, the Port Commission approved a Maritime Industry Preservation Policy, which formalizes a policy for prioritizing maritime activities and assets, including objectives and strategies to foster and protect the Port's valuable yet limited deep-water berths, waterborne connections, and maritime facilities. This policy acknowledges the ongoing evolution of the Port in response to industry changes and City needs. A major focus of the initial policy was the need for specific protections of deep-water berths for ocean-going vessels, as well as sufficient upland areas and buffer zones for ship repair and traditional cargo shipping.

Major tenets of the original policy include:

- Future development of Port property shall include proportional equitable investment by parties to enhance and protect maritime facilities and uses at development sites that have maritime access.
- The Port will prioritize dredging in its annual capital spending plan.

THIS PRINT COVERS CALENDAR ITEM NO. 13A

In the four years since the policy was adopted, the Port's maritime inventory has changed significantly, including improvements related to the 2013 America's Cup Regatta, construction of the James R. Herman Cruise Terminal at Pier 27, and initiation of water taxi service at Hyde Street Harbor, Pier 1½ and South Beach Harbor; in addition, the Port has assumed management of South Beach Harbor.

This policy amendment does not alter the main tenets of the initial policy; rather it updates the inventory of Port piers, wharfs, and terminals to reflect the noteworthy changes that have taken place in the last four years. Additions to the policy are identified by double-underline. The amendment is a comprehensive review of not only the Port's deep-water berths but all maritime assets. This update was crafted in collaboration with the Port's Maritime Commerce Advisory Committee.

Waterfront Land Use Plan Update

The Port is now updating its Waterfront Land Use Plan, initially issued in 1997. This amended Maritime Industry Preservation Policy will be a useful and collaborative tool in identifying and acknowledging the Port's maritime inventory to ensure the protections of the plan extend to a more detailed inventory of maritime assets.

Summary / Conclusion

The amended Maritime Industry Preservation Policy is necessary to incorporate changes to the inventory of maritime assets over the past four years. It has been prepared by Maritime staff with input from Port stakeholders including the Maritime Commerce Advisory Committee. This document will provide useful guidance in the Port's efforts to update the Waterfront Land Use Plan.

Recommendation

Port staff requests Port Commission approval of the attached resolution.

Prepared by: Peter Dailey
Deputy Director, Maritime

Attachments:

- Maritime Industry Preservation Policy (amended September 8, 2015)
- Maps of Port of San Francisco deep-water berths

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 15-30

- WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct operate, maintain, regulate and control the Port area of the City and County of San Francisco; and
- WHEREAS, the Port of San Francisco, California's oldest public port, continues to have one of the most varied maritime business portfolios in the nation. Its 7½-mile waterfront is home to cruise and cargo shipping; ferries, excursion boats, and water taxis; tugs, barges, and harbor services; commercial fishing and recreational marinas; ship repair and railroad service; ready-reserve ships and labor union hiring halls; and
- WHEREAS, the Port of San Francisco's maritime assets include 39 pile-supported pier structures, 80 substructures including marginal wharfs that connect these piers, 15 deep water berths, 245 commercial and industrial buildings, 9 seawall lots, over three miles of street and sidewalks and other assets such as dry docks, cargo cranes and railroad tracks and locomotives; and
- WHEREAS, the Port Commission seeks to promote, expand and enhance the Port's maritime facilities and uses; and
- WHEREAS, due to concern for the protection of these maritime assets and industrial uses in accordance with ever changing City and land use needs, in 2011 the Port Commission requested that Port staff consider the creation of a Maritime Industry Preservation Policy; and
- WHEREAS, the Port Commission on September 13, 2011 approved the initial Maritime Preservation Policy which formalized a Port policy for prioritizing maritime activities and assets, citing objectives and strategies to foster and protect the Port's valuable yet limited deep-water berths, waterborne connections, and maritime facilities; and
- WHEREAS, in the four years since the Policy was adopted, the Port's maritime inventory has changed significantly, including improvements related to the 2013 America's Cup Regatta, construction of the James R. Herman Cruise Terminal at Pier 27, and initiation of water taxi service at Hyde Street Harbor, Pier 1½ and South Beach Harbor; in addition, the Port has assumed management of South Beach Harbor; and

- WHEREAS, in light of these changes and additions to the Port's inventory of maritime assets, it is appropriate and timely for the Port Commission to consider amending the original Port Maritime Industry Preservation Policy; and
- WHEREAS, Port staff have drafted and prepared for the Commission's consideration an updated and amended Port of San Francisco Maritime Industry Preservation Policy, attached hereto as Exhibit A, which reflects the Port Commission's concerns and desires; and
- WHEREAS, this proposed amendment to the Port's Maritime Industry Preservation Policy will not alter the main tenets of the initial policy; rather it will update the inventory of Port piers, wharfs, and terminals to reflect the noteworthy changes in the last four years; and
- WHEREAS, the Port is now updating its Waterfront Land Use Plan, initially issued in 1997 and this amended Maritime Industry Preservation Policy will be a useful and collaborative tool in identifying and acknowledging the Port's maritime inventory to ensure the protections of the plan extend to a more detailed inventory of maritime assets; now, therefore be it
- RESOLVED, that the Port Commission hereby adopts the updated and amended Port of San Francisco Maritime Industry Preservation Policy, attached hereto as Exhibit A, to be effective as of September 8, 2015.

I hereby certify that the forgoing resolution was adopted by the San Francisco Port Commission at its meeting of September 8, 2015.

Secretary

EXHIBIT A

Port of San Francisco Maritime Industry Preservation Policy

Amended September 8, 2015

"A Working Waterfront - Port lands should continue to be reserved to meet the current and future needs of cargo, shipping, fishing, passenger cruise ships, ship repair, ferries and excursion boats, recreational boating and other water dependent activities".

Port of San Francisco Waterfront Land Use Plan 1997

The Port of San Francisco is one of the most diverse port jurisdictions in the nation. Port assets include 39 pile-supported pier structures that provide 15 deep-water berths, 145 acres of cargo-handling terminals, 245 commercial buildings, and nine seawall lots. The Port owns assets such as dry-docks, cargo cranes, passenger boarding bridge, three ferry docks, two marinas, railroad bridge, and intermodal rail yard. The diversity of maritime industries along the San Francisco waterfront is extensive; few other port jurisdictions in the world host the variety of inland and ocean maritime commerce including cruise, ferry, and water taxi passenger terminals, cargo terminals, harbor services, ship repair, commercial fishing, and recreational boating facilities.

It was out of concern for the protection of these maritime industries that San Franciscans called for creation of the landmark San Francisco Waterfront Land Use Plan (Waterfront Plan), the official policy document of the San Francisco Port Commission. The Waterfront Plan sets forth goals and policies to guide Port improvements that balance maritime commerce with non-maritime commerce and public access. Since its initial adoption of the Waterfront Plan in 1997, the Port Commission has approved amendments that provide more specific guidance for public access to the waterfront, development of open spaces, and architectural guidelines. The Port Commission also has formally recognized San Francisco's rich maritime heritage through the approval of the Embarcadero Waterfront National Register Historic District.

A key priority of the Waterfront Land Use Plan is to ensure that sufficient property is reserved for the existing and future land use requirements of the Port's water-dependent activities. Water-dependent activities are defined in the Waterfront Land Use Plan as "those which require access to water in order to function." As the demand for non-maritime development of Port assets has grown, the Port has determined a need for the Maritime Industry Preservation Policy. This policy is to complement the Waterfront Land Use Plan by identifying current and potential maritime assets. It is intended to provide direction for policy actions to ensure financial and planning strategies that the support current and long-term protection of deep-water berths and maritime facilities.

This Maritime Industry Preservation Policy is adopted in recognition of the evolution of maritime commerce at the Port and the need to respond to San Franciscans' desire to

engage with its waterfront. In particular, changes along the northern half of the Port waterfront have demonstrated a need for specific protections of deepwater berths for ocean-going vessels. These berths are located at Pier 45, Pier 35 (north and south), Pier 27, Pier 19, Pier 15-17 (east face) and Pier 30-32 (east face). In the southern waterfront, the Port's maritime priorities require maintenance of deep-water berths as well as sufficient upland areas and buffer zones for harbor services, ship repair and traditional cargo shipping.

The Port Maritime Industry Preservation Policy promotes the importance of the allocation of maritime activities throughout Port property in response to ever changing industry demands and community growth. This Policy provides guidance for the current and future of the Port of San Francisco's maritime commerce and history.

To enumerate the goals of this Policy, the Port shall:

- 1) Encourage development and/or rehabilitation of Port assets that enhance current water-dependent commercial uses or designated Port Priority Areas.
- 2) Protect the Port's remaining natural deep-water berths for maritime uses by requiring that such berths be utilized by vessels which are deemed by the Executive Director, in her or his sole discretion, to be seaworthy, able to leave berth under their own power, approved by the American Bureau of Shipping and certified by the U.S. Coast Guard. The *USS Pampanito*, an iconic & historical attraction, is exempted from this Policy, given its status as a previously existing Port tenant.
- 3) Promote Port development/historic rehabilitation projects that incorporate physical improvements to maritime deepwater berthing facilities, including associated needed repair or equipment requirements, and/or incorporate new or improved facilities specifically to support maritime industry activities. The Port will seek future development of Port property that includes proportional equitable investment by parties to enhance and protect maritime facilities and uses at development sites that have maritime access. The Port will also seek further development opportunities on seawall lots or other Port property without water access that include a proportionate, equitable contribution for new maritime preservation projects at facilities selected by the Port in its sole discretion.
- 4) Discourage the location of non-water dependent municipal or commercial uses/facilities, other than parks, on sites with waterfront access.
- 5) Maintain adequate water depth of current deep water berths to accommodate current and future Port maritime activities by using best efforts to prioritize funding of minimum levels of dredging in the Port's capital plan. Set an internal goal that 50% of the Port's annual operating capital expenditures (excluding bond and grant proceeds) will be expended on dredging, apron and fendering repair, shore side power/utilities upgrades, Fisherman's Wharf & Hyde Street Harbor pier repair, ferry and water taxi dock maintenance and development, rail infrastructure improvements, and cargo warehouse structural maintenance. Achievement of this

goal is subject to compliance with the Port Commission's Policy on Maintenance of Operating Reserves, current exclusive negotiation agreements, and any financial covenants imposed by outstanding bond obligations and grant awards. Additionally, from time-to-time, this goal may be waived due to significant fluctuations in the Port's financial conditions or results in operations. This goal also will be subject to budgetary approval by the Port Commission, the Mayor and the Board of Supervisors.

- 6) When promoting marine recreational uses of the Port, minimize conflicts of current and future developments between ocean-going vessels and said recreational uses.
- 7) Prioritize water-dependent uses and not allow prescriptive limits to standard operating procedures and docking periods for the purpose of accommodating adjacent non-maritime uses, public access, or view corridors, except as otherwise identified in the Port's Waterfront Land Use Plan.

The maps attached to this Maritime Industry Preservation Policy illustrate a comprehensive review of the Ports waterfront, the current use allocation, the location of the Port's deep-water berths, and identification of piers that, given a financial opportunity, could be returned to maritime commerce.

This Maritime Industry Preservation Policy is meant to guide Port staff, its tenants and developers of the importance of maintaining the Port's vital maritime assets and acknowledges the Port of San Francisco's maritime heritage and perpetual maritime mission. Port staff will use this Maritime Industry Preservation Policy to determine whether it is in the best interest of the Port to recommend to the Port Commission to grant a request from a tenant or developer to develop, rehabilitate and/or renew a Port asset.

Attachment:

- A. Maps of Port of San Francisco's deep-water berths delineated by location

Current Port of San Francisco Berthing Activity — Northern Waterfront Pier 15 to Municipal Pier

FRANKLIN ST

VAN NESS AVE
GREENWICH ST
LOMBARD ST

UNION ST
SANSONE ST
BATTERY ST

MONTGOMERY ST
GREENWICH ST
TONGANO ST

NEW KIDNEY BLVD
NEW TWIN COAST BLVD
HARRIS ST

NORTH BEACH PLAYGROUND

COLUMBUS AVE
WASHINGTON SQUARE

POWELL ST

JONES ST

LEAVENWORTH ST

HYDE ST

LARKIN ST

CHESTNUT ST
POLK ST
FRANCISCO ST

BAY ST

NORTH POINT ST

BEACH ST

OWEN SQUARE

MAIN F-LINE RAIL TUNNELS

MASON ST

POWELL ST

STOCKTON ST

GRANT ST

FRANCISCO ST

KEARNEY ST

NORTH POINT ST

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Current Port of San Francisco Berthing Activity — Central Waterfront China Basin to Pier 9



COLOR KEY

USEABLE WITH
IMPROVEMENTS

Public Access. Not designed for vessel mooring.
Dredging and/or Repair Reconfiguration of apron needed in order to berth vessels.
Extensive dredging and/or complete replacement of apron needed in order to berth vessels.

Berth assignments under direct control of the Port.
Exclusively used berth assignment under control of tenant through lease agreement.
Berths and waterways used for recreational boating.

Port Controlled Industrial Berth
Private Controlled Industrial Berth

Open Water Basin
Depth Apron Deficient
Depth Apron Sufficient

80

WILLIE L. BROWN, JR. BRIDGE

SAN FRANCISCO

PORT OF SAN FRANCISCO

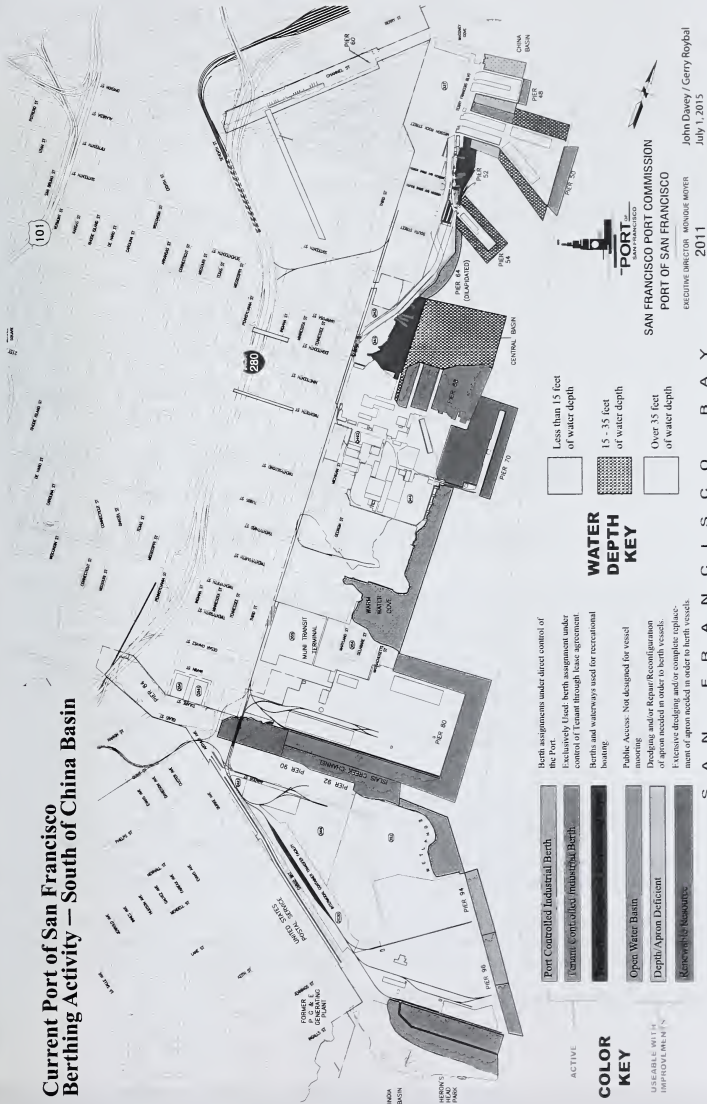
EXECUTIVE DIRECTOR: MONIQUE MOYER

2011

SAN FRANCISCO BAY

John Davey / Gerry Roybal
July 1, 2015

Current Port of San Francisco Berthing Activity — South of China Basin





MEMORANDUM

September 2, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Doreen Woo Ho

FROM: Monique Moyer *M Moyer*
Executive Director

SUBJECT: Informational Presentation Regarding Results of Request for Qualifications / Proposal for Sustainable Recycled Asphalt and Concrete Plants and Lease Opportunity Pier 94 / Seawall Lot 352

DIRECTOR'S RECOMMENDATION: Informational Presentation

Executive Summary

San Francisco Public Works ("Public Works"), in conjunction the Port, has completed a Request for Qualifications / Proposal ("RFQ/P") process for a recycled concrete and recycled asphalt plants as a part of a lease opportunity at Pier 94 / Seawall Lot 352. The advertised opportunity allowed flexibility for responsive proposers to, along with construction of a new asphalt plant, either construct a new concrete plant or partner with an existing local concrete provider. Included in the solicitation was the requirement that the respondent negotiate with the City for long-term contracts to supply high recycled content concrete and asphalt. A map of the project area is included with this report as Exhibit A.

After issuing clarifying addenda, Public Works and the Port received four responsive proposals to the RFQ/P: (1) a partnership of Central Concrete Supply Company and NewCo (a newly formed partnership of Proven Management and Desilva Gates Construction Company), (2) Conco, (3) Granite Rock, and (4) Resource Management System (a collaboration between Ghilotti Brothers Inc. and Bayview Sand & Gravel).

Advisory Panel analysis yielded Central Concrete Supply Company / Newco as the proposal offers the best potential partnership with both the Port for long term tenancy and the City for long term supply contracts, outscoring all other proposals on every

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criterion. Comparative advantages on depth of experience, development and operations concepts, guarantees of supply and overall financial viability are particularly pronounced.

Public Works and Port staff present this proposal for the Port Commission's and public's review and feedback. Port staff will return to the Port Commission on September 26, 2015 to request authorization for Port staff to begin negotiation of a project Exclusive Negotiations Agreement with Newco.

Strategic Objective

Moving forward with this opportunity furthers the strategic objective of implementation of the Port's *Piers 80-96 Maritime Eco-Industrial Center Strategy*, a separate staff report on which, dated September 19, 2014, may be found here:

<http://www.sfport.com/modules/showdocument.aspx?documentid=8677>

Overview

On February 6, 2015, the Port Commission authorized San Francisco Public Works ("Public Works"), in conjunction with Port staff to issue a competitive solicitation for an Asphalt and Concrete batching plant at Seawall Lot 352 (located along Amador Street) with a bulk maritime terminal component at Pier 94. The City, through Public Works, solicited proposals from qualified respondents ("Respondents") to either:

1. Develop and operate a new asphalt plant that can produce asphalt with a high percentage of recycled content and develop and operate a new concrete plant that can produce concrete mixes with high recycled content within approximately 204,688 square feet of land, located at Seawall Lot 352 ("the Site"); or
2. Develop and operate a new recycled asphalt plant on the Site and propose a partnership with an existing local concrete plant that can provide concrete mixes with high recycled content.

The Port's Final Southern Waterfront Supplemental Environmental Impact Report ("FSEIR") and subsequent addenda to this FSEIR have treated concrete batching and asphalt production opportunities on Port property similarly in the context of annual production limits for batching facilities in the area, including the environmental impacts that arise from such operations and the mitigation measures designed to minimize these impacts to acceptable levels. Further environmental review will be required prior to lease approval for the batching opportunity.

The solicitation states that the City will select the most qualified Respondent with the goal of negotiating a maritime industrial lease with the Port. Solicitation requirements include experience in the financing, development and operation of new asphalt and concrete plants and an exemplary record of environmental facility design, regulatory compliance and community relations.

Additionally, the Respondent will be required to make a maritime commitment to either:

1. Use the available marine bulk cargo terminal to receive aggregate materials from marine vessels at the Pier 94 maritime berth (or other identified berth) or
2. Pay a maritime deficiency fee--the Respondent will be encouraged to source recycled construction materials from the existing construction materials recycling facility adjacent to the Site.

Public Works may negotiate non-exclusive long-term purchase contracts that would provide the City with a reliable, high-quality and competitively priced source of recycled asphalt and recycled concrete mixes.

Public Works staff issued the RFQ/P on April 7, 2015 and conducted a pre-bid conference and site tour on April 20, 2015. Four respondents submitted proposals on June 16, 2015:

- Central Concrete Supply Company and Newco (a Proven Management and Desilva Gates Construction collaboration)
- Conco
- Graniterock
- Resource Management System (RMS): Ghilotti Brothers Inc. and Bayview Sand & Gravel

Project Objectives

This RFQ/P has the following objectives:

1. Provide a Site for the construction of a new recycled asphalt and new concrete plant or a new recycled asphalt plant in partnership with an existing local concrete plant;
2. Secure an experienced partner to develop and operate a new recycled asphalt plant and a new concrete plant that can provide products using higher recycled content or secure an experienced partner to develop and operate a new recycled asphalt plant and propose a partnership with an existing local concrete plant that can provide products using higher recycled content;
3. Enable the reuse of asphalt grindings and crushed concrete generated locally into high recycled content asphalt and concrete mix designs for City projects;
4. Provide a source for recycled asphalt and concrete mixes with a high percentage of recycled content using innovative, reliable, high-quality and competitively priced mix designs with higher recycled content than is currently available in the existing commercial facilities;
5. Increase maritime and Port activities at Pier 94 maritime berth (or other identified berth);

6. Minimize unnecessary truck trips;
7. Promote City environmental policies, including those related to landfill diversion, construction materials recycling, air quality, stormwater management, and use of recycled materials in Public Works projects;
8. Provide employment and contracting opportunities for San Francisco residents; and
9. Comply with the Port Commission's Waterfront Land Use Plan and Southern Waterfront Beautification Policy as well as the City's general land use policies.

Advertising and Pre-Bid Conference

Public Works staff advertised the RFQ/P opportunity in newspapers and on both the Public Works posting site and Office of Contract Administration posting site.

Eighteen members of the public representing twelve firms attended the pre-bid conference and site tour on April 20, 2015. Public Works and Port staff answered questions at the conference and site tour. Public Works staff published written responses to questions received via an addendum on the Office of Contract Administration and Public Works websites.

Advisory Panel and Staffing

Port staff recruited a panel of five advisors to review and score the RFQ/P written and oral responses ("Advisory Panel") consisting of the following individuals:

- Kristin Allen, Project Manager III, San Francisco International Airport
- Richard Berman, Utility Specialist, Port of San Francisco
- Julia Dawson, Deputy Director, Financial Management and Administration, Public Works
- Brian Henderson, Waste Water Enterprise Engineering Manager, Public Utilities Commission
- Larry Stringer, Deputy Director, Operations, Public Works

RFP Evaluation Criteria

The Advisory Panel conducted an initial determination on responsiveness and acceptability. Elements reviewed during initial screening included: proposal completeness, compliance with format requirements, compliance with Minimum Qualification requirements, and verifiable references. Each Respondent was required to provide proof that they have a minimum of five (5) years' experience operating asphalt and concrete production as a company, or minimum individual team member's professional experience operating asphalt and concrete production facilities of ten (10) years, or comparable experience.

The Advisory Panel used the following specific criteria in evaluating the responses to this RFQ/P and the oral interview:

- a. Experience, reputation of the Respondent's team, economic success of similar ventures **(15 points)**
- b. Regulatory compliance record **(10 points)**
- c. Local economic benefits **(10 points)**
- d. The quality of the development and operations concept **(10 points)**
- e. Environmental performance plans **(10 points)**
- f. Layout and design of the asphalt and concrete facilities **(5 points)**
- g. Financial capacity for facility development, operations **(5 points)**
- h. Guarantees of supply to City-sponsored projects; ability to provide high quality and competitively priced recycled asphalt, concrete **(20 points)**
- i. Long-term financial viability of proposal **(15 points)**

The Proposals and Scoring

The Advisory Panel met once prior to reviewing and scoring the written proposals. Public Works and Port staff developed questions for the oral interview. The Advisory Panel rated each respondent and assigned a total weighted score consisting of the written and oral components. The written score accounted for 65% of the total combined score and the oral interview score accounted for 35%. The Advisory Panel interviewed all four respondent teams on August 11, 2015.

The written score accounted for 65% of the total combined score and the oral interview score accounted for 35%. Table 1 below shows the Advisory Panel's aggregate scores for all four proposals and final scores and ranking.

Table 1: Advisory Panel's Aggregate Scores

Criteria	Central Concrete Supply Company and Newco SF A/C (Proven Management and Desilva Gates Construction)	Resource Management System (RMS): Ghilotti Brothers Inc. And Bayview Sand & Gravel	Conco	Graniterock
	Written & Oral Scores	Written & Oral Scores	Written & Oral Scores	Written & Oral Scores
Experience	71	38	34	58
Regulatory Compliance	40	31	29	27
Local Economic Benefits	41	39	27	23
Development and Operations Concept	43	20	23	10
Environmental Performance Plans	41	26	24	19
Proposed Layout and Design	23	11	13	4
Financial Capacity	21	15	17	19
Guarantees Of Supply	86	58	44	40
Financial Viability	60	40	40	31
Total Score	426	278	251	231
Rank	1	2	3	4

Conclusion

The Central Concrete Supply Company / Newco proposal, which partners a new asphalt plant with an existing concrete plant at Central Concrete, offers the best potential partnership with both the Port for long term tenancy and the City for long term supply contracts, outscoring all other proposals on every criterion. Comparative advantages on depth of experience, development and operations concepts, guarantees of supply and overall financial viability are particularly pronounced.

Based on the Advisory Panel's analysis, Port staff will return to the Port Commission for authorization to enter into exclusive lease negotiations with Newco. Public Works staff will enter into simultaneous negotiations with Newco and Central Concrete regarding

long-term supply contracts for asphalt and concrete, respectively.

After Port Commission authorization to enter exclusive negotiations, Port staff and representatives of the winning team will present the proposed plan to the Southern Waterfront Advisory Committee.

Next Steps

Port staff will return to the Port Commission on September 26, 2015 to request authorization for Port staff to begin negotiation of a project Exclusive Negotiations Agreement with Newco.

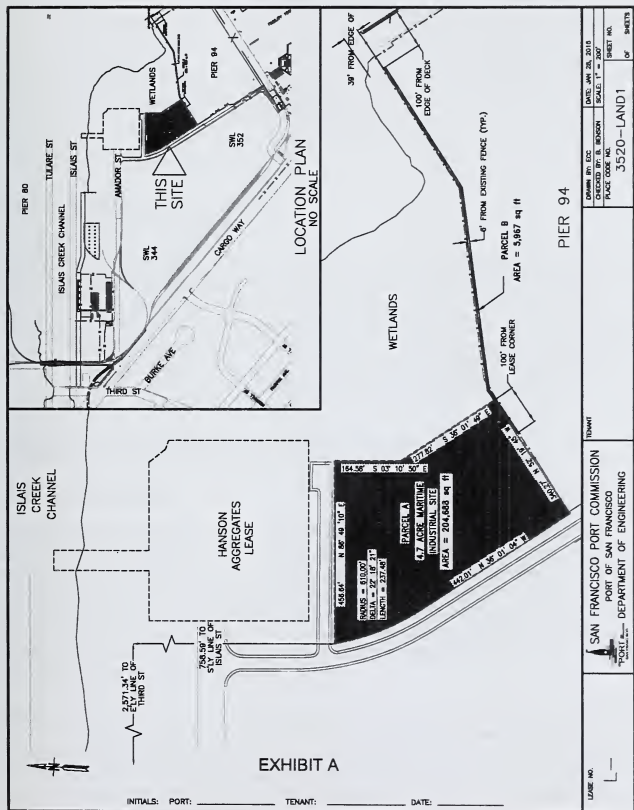
Prepared by: Richard Chircop
Associate Engineer, Public Works

Daley Dunham
Special Projects Manager, Port

Patrick Rivera
Division Manager, Public Works

For: Brad Benson
Director of Special Projects, Port

Exhibit A: Site Plan

Exhibit A
Site Plan



MEMORANDUM

September 2, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Doreen Woo Ho

FROM: Monique Moyer *MMoyer*
Executive Director

SUBJECT: Request authorization to enter into Exclusive Negotiation Agreement with Teatro ZinZanni and its financial partner, Kenwood Investments No. 6, LLC, operating together as TZK Broadway, LLC, for the lease and development of a dinner-theater and a maximum 200-room, 40-foot high boutique hotel and an approximately 7,500 square foot privately financed public park and ancillary uses at Seawall Lots 323/324 and portions of Vallejo and Davis Street right-of-ways on the west side of The Embarcadero at Vallejo Street

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

EXECUTIVE SUMMARY

Port staff requests authorization to enter into an Exclusive Negotiation Agreement ("ENA") with TZK Broadway, LLC ("TZK"), a California limited liability company, for the lease and development of an approximately 200-room hotel, dinner-theater and a public park on the Site (as defined below). This request is based in part on Resolution No. 170-15 that the Board of Supervisors (the "Board") adopted on May 5, 2015 which, among other things, exempts TZK from the competitive bidding policy set forth in Administrative Code Section 2.6-1 and urges City officials to take all actions needed to negotiate an ENA and a term sheet with TZK.

During the ENA period, Port staff will work with TZK to refine the proposed development concept and negotiate a term sheet covering lease terms that meet the Port's management obligations. The initial ENA term will be for a one-year period, with four optional six-month extensions, to develop project plans, negotiate a term sheet for required agreements, and secure needed approvals, including Port Commission's and

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the Board's endorsements of the term sheet prior to drafting full transaction documents that are subject to the respective consideration/approval of the Port Commission and the Board, as applicable. The ENA requires TZK to (i) pay to Port a negotiation fee of \$100,000 and (ii) reimburse Port's costs related to the project during the ENA period.

Port staff recommends the ENA approval.

Port staff last made a presentation to the Port Commission on this proposed development on October 28, 2014. On that date, the Port Commission approved Resolution No. 14-58¹ directing Port staff to assist Teatro in developing and introducing a resolution to the Board to consider exempting the proposed Development from the City's competitive bidding procedures with respect to the potential lease of the Site to Teatro and TZK.

BACKGROUND

Site description and Permitted Uses

Seawall Lots ("SWLs") 323 and 324 are two nearly triangular land parcels with a combined surface area of approximately 42,719 square feet with frontages on The Embarcadero, Broadway, Davis and Vallejo Streets. They are to be developed with the two abutting right-of-way parcels ("Paper Streets") that form the terminus of Vallejo Street and Davis Street as they intersect The Embarcadero. The four parcels, SWLs 323 and 324, and the two Paper Streets, have a combined land area of 57,170 square feet and they form the site (the "Site") to be leased for the proposed development. A Site Map is attached as Exhibit A. The Site is currently paved with asphalt, striped for 227 self-parked stalls, and leased on an interim basis to a parking operator, Priority Parking CA, for surface parking lot operation that generated approximately \$1 million in net annual revenue to the Port in fiscal 2014-2015.

Hotel, entertainment, theatre, retail, and public open space, among others, are listed as acceptable uses for SWLs 323 and 324 in the Port's Waterfront Land Use Plan, the City Planning Department's Northeastern Waterfront Subarea Plan, and the Planning Department's Northeast Embarcadero Study. The Site is located in the Northeast Waterfront Historic District and within a C-2 (Community Business) zoning district and a 40-X Height and Bulk district. These lots are subject to the common law public trust doctrine, as well as to the terms and conditions of the Burton Act, which is the trust grant from the State of California to the City (sometimes referred to collectively as the "public trust").

Teatro ZinZanni and Relocation Plan

Teatro is a popular dinner theater performed in a historic Spiegel tent, which provides a big top setting for live music, comedy, and acrobatic entertainment. It is a unique hybrid of comedy, theater, cabaret, music and dining that is part circus and part cabaret. It combines improvisational comedy, vaudeville revue, music, dance and cirque into an evolving form. It operates a venue in Seattle, Washington and operated a venue in San Francisco.

¹ <http://www.sfport.com/modules/showdocument.aspx?documentid=9020>

Teatro and the Port entered into a lease in 1999 for Teatro to use a portion of Piers of 27 and 29 for its dinner theater and cabaret operations (the "Theater Lease"). The Theater Lease was amended a number of times; it expired in 2005, and continued on a holdover month-to-month basis until 2011. To accommodate the 34th America's Cup and the construction of the new James R. Herman Cruise Terminal on Pier 27, the Port and Teatro mutually agreed to terminate the Theater Lease and identified a portion of SWL 324 as a potential relocation site. If Teatro satisfied certain pre-conditions (such as project design compatible with the Northeast Waterfront Historic District, completion of environmental review, etc.), the parties would enter into a new lease for a portion of SWL 324.

On October 28, 2014, the Port Commission approved Resolution No. 14-58 directing Port staff to assist Teatro in developing and introducing a resolution to the Board to consider exempting the proposed Development from the City's competitive bidding procedures with respect to the potential lease of the Site to Teatro and TZK.

On May 5, 2015, the Board adopted Resolution No. 170-15² (the "Board Resolution"), which found that the proposed Development is exempt from competitive bidding requirements of Administrative Code Section 2.6-1 on the following basis: the unique, one-of-a-kind attributes of Teatro; the unique opportunity presented by Developer's proposal to build and finance the Development; and Teatro's position as a tenant in good standing under Port policies; the provisions of the Mutual Termination Agreement; and, in keeping with Administrative Code Chapter 90A to retain an important entertainment icon, provide performer lodging and workforce training, and numerous other public benefits to the City and the region that the proposed Development would produce, as further described in the Board Resolution.

The Board Resolution also (i) urged Port, Teatro and Developer to engage in continued outreach to affected and interested neighbors, community members and stakeholders to ensure that the proposed Development is designed with public input; (ii) urged the Port to hire a third party real estate economic consultant during negotiations with Developer to ensure the Port receives fair market value for the lease of the Site; and (iii) directed Port to submit to the Clerk of the Board ("Clerk") a copy of Port's real estate consultant's report confirming TZK's qualifications to undertake the development prior to the Port Commission's hearing at which the Port Commission considers awarding this Agreement to Developer.

Kenwood Investments' Qualifications and Financial Capacity

In June, Kenwood Investments provided the Port a description of its qualifications and financial capacity. BAE Urban Economics, Port-hired third-party real estate consultant ("BAE"), and Port staff respectively reviewed the qualifications and financial capacity information. BAE issued a report confirming that Kenwood Investments is qualified to develop the Project. Port staff filed the report with the Clerk on August 18, 2015 as required.

² <http://www.sfbos.org/ftp/uploadedfiles/bdsupvrs/resolutions15/r0170-15.pdf>

EXCLUSIVE NEGOTIATIONS PROCESS

The ENA is the agreement between the Port and TZK governing how the required development agreements will be negotiated. It establishes time and performance benchmarks, provisions for time extensions to perform and termination for non-performance. It also establishes the time frames and milestones for required Port Commission, Planning Commission, and the Board's review and approval; and specifies negotiation fees payable to Port and recovery of Port's costs associated with the Development.

During the ENA period, the following key events are anticipated to occur:

- TZK will commence and complete its due diligence review of the Site.
- TZK will conduct community outreach to stakeholders.
- Port and TZK will negotiate a term sheet for Port Commission and Board's endorsement.
- TZK will complete preliminary architectural and engineering designs, and finalize financial projections addressing lease payments to the Port, and the equity and debt required to completely finance the entitlement, construction, and operation of the Development.
- TZK will complete any required environmental review and required regulatory approvals.
- The Port and TZK will negotiate as applicable a lease disposition and development agreement, a lease, and related documents for the Development incorporating specific terms, including the Port's and TZK's respective responsibilities, the economic parameters, development standards and requirements, and a performance schedule. The lease is subject to the Port Commission's and Board's approval following the completion of environmental review.

The Port Commission, by approving the ENA is not approving a project, nor committing either party to a project. Rather, the ENA establishes the parameters for consideration of a possible project or development.

SUMMARY OF ENA TERMS

Fee, Term, and Extensions: For the right to exclusively commit Port to negotiate with TZK, the Port imposes a negotiating fee of \$100,000 for the initial term of one-year. TZK can extend the term by four six-month (6-Month) extensions subject to a \$50,000 fee for each extension. TZK will pay half (\$50,000) of the initial term fee during the ENA period and the balance for the initial term fee at the close of the construction loan for the Development. If the construction loan does not close because the Development does not move forward, the \$50,000 balance will not be paid to Port.

Transaction Costs: The ENA provides for TZK to fund Port's costs (including third party costs and staff time) associated with project Planning and review and negotiating transaction documents.

Performance Benchmarks: Exhibit B shows the performance benchmarks and schedules included in the ENA. Review of Exhibit B indicates that the next major step will be consideration of an updated proposal, which will happen in Fall 2015. If TZK is diligently pursuing the benchmarks, it may request an extension of its performance deadlines in accordance with the ENA. This ENA assumes that the Port Commission authorizes the Executive Director or her designee, to waive or extend the times established for attaining the specified performance benchmarks, including the right to condition such waiver or extension on additional terms and conditions or approval from the Port Commission in its sole discretion.

Regulatory Approvals: TZK is responsible for obtaining all regulatory approvals in collaboration with the Port.

Project Material: TZK will assign to Port all studies, applications, reports, permits, plans, drawings and similar non-proprietary work and materials relating to the Development prepared by its consultants, if the ENA is terminated.

RECOMMENDATION

Port staff recommends approval of the ENA for the proposed Development at the Site with TZK Broadway, LLC.

Prepared by: Ricky Tijani
Development Project Manager

For: Byron Rhett, Deputy Director
Planning & Development

Exhibits: A. Site Map
B. Performance Benchmarks

Exhibit A Site Map



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EXHIBIT B

ENA Performance Benchmarks

Performance Benchmarks	Time for Performance
1. <u>Developer Formation Documents</u> : TZK to provide updates to Port if there are any material changes to the documents.	Ongoing
2. <u>Updated Proposed Development Concept</u> : TZK must submit its updated development concept showing its preliminary massing and land use concept.	October 2015
3. <u>Community Outreach Plan</u> : TZK must submit its proposed Community Outreach Plan	October, 2015
4. <u>Public Trust Consistency Proposal</u> : TZK must submit its proposed Public Trust Consistency Plan for the Site	December 2015
5. <u>Deal Term Sheet</u> : TZK must submit its proposed Term Sheet of the Revised Development Proposal. What to cover in Term Sheet: <ul style="list-style-type: none"> 1. Lease terms and conditions including all the terms set forth in Section 3.2 of the ENA. 2. Terms/conditions of related transaction documents 	January 2016
6. <u>Site Control for non-Port Parcels</u> : TZK must submit its plan for Site Control of DPW Street stubs	January 2016
7. <u>Regulatory Approval Strategy</u> : TZK must submit its proposed Regulatory Approval Strategy	January 2016
8. <u>Design Review Submission</u> : TZK must submit its design concept for review by the applicable regulatory bodies	February 2016
9. <u>Port Commission Endorsement</u> : TZK to obtain the Port Commission's endorsement of the Term Sheet	February 2016
10. <u>Board Endorsement and Fiscal Feasibility Determination</u> : TZK to obtain the Board of Supervisors' endorsement of the Term Sheet and if required, Fiscal Feasibility Determination	March 2016
11. <u>Implementation Strategies</u> : Traffic and parking impact mitigation, financing, franchising/branding, building operations, operation management, leasing, and public benefit improvements	September 2015 -- April 2016

- | | | |
|-----|---|-----------------------------|
| 12. | <u>CEQA Environmental Evaluation</u> : TZK to submit the environmental evaluation application for the Development with a timeline for the publication of certification of environmental review | September 2015 – April 2016 |
| 13. | <u>Due Diligence Investigation</u> : TZK must complete its due diligence investigation of the Site, including surveys, title, environmental site assessment, field measurements, samples, borings, soil and geotechnical analysis, utility availability, and any other investigations as required by its technical advisors | April 2016 |
| 14. | <u>Transaction Documents</u> : TZK and Port must reach final agreement on the form of LDDA, Lease and all related transaction documents | June 2016 |
| 15. | Port Commission adoption of CEQA Findings and Public Trust Consistency findings, and approval of final Transaction Documents | June 2016 |
| 16. | Board of Supervisors' Adoption of CEQA Findings and Approval of Lease | September 2016 |

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 15-31

WHEREAS, Charter Section B3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and

WHEREAS, Seawall Lot 323 ("SWL 323") and Seawall Lot 324 ("SWL 324") are two nearly triangular land parcels with a combined surface area of approximately 42,719 square feet with frontages on The Embarcadero, Broadway, Davis and Vallejo Streets (collectively, the "SWLs") which are to be developed with the two abutting right-of-way parcels that form the terminus of Vallejo Street and Davis Street as they intersect The Embarcadero totaling a combined land area of 57,170 square feet and constituting the site for the proposed Development described in this Resolution (the "Site"); and

WHEREAS, The SWLs are part of the Northeast Waterfront area and hotel, entertainment, theatre and public open space uses are allowed uses in such area under the Port's Waterfront Land Use Plan, the City Planning Department's Northeastern Waterfront Subarea Plan, and the Planning Department's Northeast Embarcadero Study issued in June of 2013; and

WHEREAS, The Site is currently operated as a surface parking lot by Priority Parking CA pursuant to that certain Lease No. L- 14747 dated October 1, 2009; and

WHEREAS, Port and One Reel, a Washington State nonprofit corporation ("Teatro"), entered into that certain Lease No. L-12847 in 1999 (as amended, the "Theater Lease") for Teatro to use certain portions of Piers 27 and 29 for its dinner theater and cabaret operations named Teatro ZinZanni, which Theater Lease terminated in 2011 pursuant to that certain Mutual Agreement for Lease Termination and Reservation of Rights Agreement dated August 12, 2011 ("Mutual Termination Agreement"); and

WHEREAS, The Port and Teatro identified SWL 324 as a potential relocation site for Teatro ZinZanni in the Mutual Termination Agreement; and

WHEREAS, Teatro is now proposing to develop on all of SWL 324, the adjacent SWL 323, and adjacent right-of-ways (i) a new privately financed theatre for Teatro; and (ii) a boutique hotel with a maximum of 200 rooms, including up to 10 transient residences for visiting Teatro artists, all situated within a 40-foot high, four-story building, together with related public improvements, including a new public park (the "Development" or "Project"); and

WHEREAS, Teatro has brought on Kenwood Investments specifically for Kenwood Investments' expertise on hotel development and project financing; and

WHEREAS, TZK, LLC, a California limited liability company ("TZK" or "Developer"), the entity entering into the Exclusive Negotiation Agreement ("ENA") as the developer, is comprised of two members: TZZ, LLC, a Washington State limited liability company, an affiliate of Teatro, and Kenwood Investments No. 6 LLC, an affiliate of Kenwood Investments; and

WHEREAS, On October 28, 2014, the Port Commission approved Resolution No. 14-58 directing Port staff to assist Teatro in developing and introducing a resolution to the Board of Supervisors ("Board") to consider exempting the potential lease of the Site for the proposed Development from the City's competitive bidding policy set forth in Administrative Code Section 2.6-1; and

WHEREAS, On May 5, 2015, the Board adopted Resolution No. 170-15 (the "Board Resolution"), which found that the proposed Development is exempt from competitive bidding requirements of Administrative Code Section 2.6-1 on the following basis: the unique, one-of-a-kind attributes of Teatro; the unique opportunity presented by Developer's proposal to build and finance the Project; Teatro's position as a tenant in good standing under Port policies; the provisions of the Mutual Termination Agreement; and, in keeping with Administrative Code Chapter 90A to retain an important entertainment icon, provide performer lodging and workforce training, and numerous other public benefits to the City and the region that the proposed Project would produce, as further described in the Board Resolution; and

WHEREAS, The Board Resolution also (i) urged Port, Teatro and Developer to engage in continued outreach to affected and interested neighbors, community members and stakeholders to ensure that the proposed Development is designed with public input; (ii) urged Port to hire a third party real estate economic consultant during negotiations with Developer to ensure Port receive fair market value for the lease of the Site; and (iii) directed Port to submit to the Clerk of the Board a copy of Port's real estate consultant's report confirming TZK's qualifications to undertake the development prior to the Port Commission hearing at which the Port Commission considers awarding an ENA to Developer; and

WHEREAS, In June 2015, Kenwood Investments provided the Port a description of its qualifications and financial capacity which BAE Urban Economics, Port-hired third-party real estate consultant ("BAE"), and Port staff respectively reviewed, with BAE issuing a report confirming that Kenwood Investments is qualified to develop the Project and which report the Port submitted to the Clerk of the Board on August 18, 2015; and

WHEREAS, The Port Commission has reviewed the Board Resolution and has reviewed Port staff recommendations set forth in the Staff Report accompanying this resolution, and has determined that the Port should enter into the ENA with TZK; now, therefore, be it

RESOLVED, That the Port Commission authorizes the Executive Director of the Port ("Executive Director") or her designee to execute the ENA and any additions, amendments or other modifications thereto that are necessary and advisable to complete the ENA consistent with the terms and conditions set forth in the Staff Memorandum and in a form approved by the City Attorney which key terms and conditions of the ENA include, in summary: (i) a \$100,000 negotiation fee for the one-year initial term with \$50,000 due during the ENA period and the balance at the Development's construction loan closing, (ii) four six-month extension options each subject to a \$50,000 fee, (iii) TZK responsible for all of Port's transaction costs related to the Development, (iv) TZK responsible for obtaining all regulatory approvals, and (v) assignment to Port of all project studies, applications, reports, permits, plans, drawings, and similar non-propriety work and materials prepared by its consultants upon termination of the ENA; and, be it further

RESOLVED, That Port staff engage a third party real estate economic consultant during negotiations with Developer to ensure Port receive fair market value for the lease of the Site; and, be it further

RESOLVED, That the Port Commission hereby authorizes the Executive Director or her designee, to waive or extend the times established in the ENA for attaining the specified performance benchmarks attached to the Staff Memorandum accompanying this resolution as Exhibit B, including the right to condition such waiver or extension on additional terms and conditions or approval from the Port Commission in its sole discretion; and be it further

RESOLVED, That the Port Commission reserves the right, if negotiations with TZK are unsuccessful and do not lead to approval of a development agreement, lease and related documents, or if the ENA is terminated before expiration of its term, to undertake other efforts, which may include selecting a developer/tenant by any other means, or issuing a developer solicitation, all in the Port Commission's sole discretion; and, be it further

RESOLVED, That entering into the ENA with TZK begins a process of refining the scope of its development for the Site, and that TZK's proposal will evolve through the public review process, all leading to a final development proposal to be submitted to the Port Commission for review and approval; and, be it further

RESOLVED, That the ENA does not commit the Port Commission to approval of any specific development concept or project proposal, nor does the ENA foreclose the possibility of alternative development concepts, mitigation measures, or deciding not to grant entitlements or approve the lease and development of the proposed concept; and, be it further

RESOLVED, That entering into exclusive negotiations does not commit the Port Commission to approval of a final lease or related documents and that the Port Commission shall not take any discretionary actions committing it to the Development until it has reviewed and considered environmental documentation prepared in compliance with the California Environmental Quality Act.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of September 8, 2015.

Secretary



SAN FRANCISCO PORT COMMISSION

SEPTEMBER 8, 2015
MINUTES OF THE MEETING

MEMBERS, PORT COMMISSION
HON. LESLIE KATZ, PRESIDENT
HON. WILLIE ADAMS, VICE PRESIDENT
HON. KIMBERLY BRANDON
HON. DOREEN WOO HO

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MONIQUE MOYER, EXECUTIVE DIRECTOR
AMY QUESADA, COMMISSION SECRETARY

CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

MINUTES OF THE MEETING TUESDAY, SEPTEMBER 8, 2015

1. CALL TO ORDER / ROLL CALL

Port Commission President Leslie Katz called the meeting to order at 1:10 p.m. The following Commissioners were present: Leslie Katz, Willie Adams, and Doreen Woo Ho. Commissioner Kimberly Brandon was not present.

2. APPROVAL OF MINUTES – July 14, 2015

ACTION: Commissioner Adams moved approval; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor. The minutes of the July 14, 2015 were adopted.

3. PUBLIC COMMENT ON EXECUTIVE SESSION

4. EXECUTIVE SESSION

A. Vote on whether to hold closed session.

ACTION: Commissioner Adams moved approval; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor.

At 1:11 p.m., the Commission withdrew to executive session to discuss the following:

(1) PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Discussion Item)

Monique Moyer, Port Executive Director. Discussion of Performance Evaluation pursuant to Section 67.10(b) of the Administrative Code and Section 54957(b) of the California Government Code.

(2) CONFERENCE WITH LEGAL COUNSEL AND REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. *This session is closed to any non-City/Port representative:

- a. Property: Pier 38, located at Delancey Street and The Embarcadero
Person Negotiating: Port: Elaine Forbes, Deputy Director, Finance and Administration
*Negotiating Parties: TMG Pier 38 Partners, LLC: Michael Covarrubias

Under Negotiations: Price Terms of Payment ☒ Both
The Port and TMG Pier 38 Partners, LLC ("TMG") are negotiating a lease for the Pier 38 Bulkhead Building Rehabilitation Project. In this executive session, the Port's negotiator seeks direction from the Port Commission on factors affecting the price and terms of payment, including price structure, financing mechanisms and other factors affecting the form, manner and timing of payment of the consideration for the property interests. The executive session discussions will enhance the capacity of the Port Commission during its public deliberations and actions to set the price and payment terms that are most likely to maximize the benefits to the Port, the City and the People of the State of California.

- b. Property: Piers 31–33, located at Francisco and Bay Streets and The Embarcadero
Person Negotiating: Port: John Doll, Project Manager, Planning and Development
*Negotiating Parties: National Park Service: Christine Lehnertz, Superintendent, Golden Gate National Recreation Area

Under Negotiations: Price Terms of Payment ☒ Both
The Port and National Park Service are negotiating business terms for use of portions of Piers 31–33 as a long-term ferry embarkation site for passenger service to Alcatraz Island. In this executive session, the Port's negotiator seeks direction from the Port Commission on factors affecting the price and terms of payment, including price structure, financing mechanisms and other factors affecting the form, manner and timing of payment of the consideration for the property interests. The executive session discussions will enhance the capacity of the Port Commission during its public deliberations and actions to set the price and payment term that are most likely to maximize the benefits to the Port, the City and the People of the State of California.

5. RECONVENE IN OPEN SESSION

At 3:40 p.m. the Commission withdrew from closed session and reconvened in open session.

Port Commission President Leslie Katz announced that the Port Commission recessed closed session and will reconvene after the open session.

6. PLEDGE OF ALLEGIANCE

7. ANNOUNCEMENTS: The Port Commission Secretary announced the following:

- A. Announcement of Prohibition of Sound Producing Electronic Devices during the Meeting: Please be advised that the ringing of and use of cell phones,

paggers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing of or use of a cell phone, pager, or other similar sound-producing electronic device.

- B. Announcement of Time Allotment for Public Comments: Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

8. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

9. EXECUTIVE

A. Executive Director's Report

- La Cocina's San Francisco Street Food Festival – August 15-16, 2015 at Building 12, Pier 70

Monique Moyer - I want to report the great success of La Cocina's San Francisco Street Food Festival that was held at Pier 70 in Building 12 on August 15 and 16, 2015. As you probably know, La Cocina holds an Annual Street Food Festival every year as a fundraiser. La Cocina is an incubator kitchen for women and immigrant food entrepreneurs. Frankly, they're a great resource for low income food entrepreneurs to be able to have some shared facilities and to have access and to build their businesses.

They've been running this fundraiser/Street Food Festival for over six years. They outgrew their space at Mission. This year they were able to come to Pier 70 and host it in Building 12. The festival featured over 100 food and craft vendors. They had all kinds of small owner-operated businesses, and 30 businesses that grew from La Cocina's low income entrepreneurship program.

Forest City, Pier 70 developer, hosted a booth at the site to make visitors aware of the future vision of Pier 70 as well as talk about the plans for Crane Cove Park and Orton's development of the historic buildings and they got an overwhelmingly positive response. It was a fantastic weekend for everyone and it marked the two years since Building 12 has been open as a way to engage the public back to Pier 70 to enjoy it in a way that it's never been enjoyed since it was heretofore a working pier.

In the two years that it's been open to the public for events, it's estimated that 120,000 visitors has experienced Pier 70 and gotten a bit of a taste of what Pier 70 will be going forward following the development. It's very exciting news for us. If you haven't had a chance to come to an event at Pier 70, I hope that you can because it's one of the most beautiful places

on the San Francisco Waterfront. I hope you'll come and share it too and the weather is fantastic there.

- National Football League (NFL) Kickoff Event – September 10, 2015 at 3:30 pm at Justin Herman Plaza

On Thursday, September 10, 2015 the NFL will be kicking its season leading into the Super Bowl 50. Since Super Bowl 50 is being hosted in San Francisco and the Bay Area, they will kick their season off in San Francisco. On Thursday, there will be a free concert at Justin Herman Plaza from 3:30 to 5:30 p.m. The concert will feature multi-platinum singer songwriter Ellie Goulding and our very own Grammy Award winning band Train. They'll be doing a couple of other events on Port property such as the free, open to the public Kids Zone in the parklet between Piers 9 and 15. There will be a kickoff 2015 photo opportunity at Pier 35 where the public can come in, see the Vince Lombardi Trophy, hang out with bronze busts of the Oakland Raiders and San Francisco 49er greats and get some autographs. For more information on this event, check out NFL.com web site and search for Kickoff 2015.

- Dreamforce Events – September 13-18, 2015 at Pier 27

September 13-18, 2015 is the annual Dreamforce Conference in San Francisco. Dreamforce is the world's largest technology conference. It takes place at the Moscone Center Area. This year as part of Dreamforce, Salesforce has contracted with Celebrity Cruise Lines to use the Celebrity Infinity cruise ship as a hotel ship at Pier 27. The Celebrity Infinity will be coming into port loaded with 2,000 passengers who will have sailed a regular cruise. They will disembark on Sunday, September 13. Salesforce will begin its charter of the ship beginning on Sunday, September 13 through Friday, September 18 at which point 2,000 Celebrity Infinity passengers will load up and sail up onto the great seas once again as is normal with our cruise ships.

During the time that Salesforce has chartered the ship, we are expecting 1,200 total guests and they will be christening the ship as the Dreamboat. Sounds very much like a former TV show but it's actually in keeping with the Dreamforce event. The only thing that will be happening at Pier 27 is the hosting of the passengers in the rooms. There are no events planned other than the christening of the Dreamboat which will take place on Monday, September 14 in the morning.

Shuttle service between the Pier 27 and the Moscone Center will be provided by the Port's tenants Bauer Transportation. It's a lot of good work for our Port partners and we're looking forward to a very good event in that use of our Cruise Ship Terminal.

The use of ships in "hotel mode" is something that we do as a normal part of our business. Typically they stay one to two nights, not usually five nights. But it is part of the Federal Shipping Act. It is something that we provide as an accommodation to all of our cruise lines and we are looking forward to seeing how this attribute of the cruise business can work for San Francisco in concert with a citywide event.

- Dreamforce and UCSF Benefit featuring the Foo Fighters and Gary Clark Jr. – September 17, 2015 at Pier 70

As you probably know Dreamforce typically hosts a one night gala which is also a fundraising event. Traditionally that gala has been at Civic Center Plaza. This year that gala will be at Pier 70. It will be on Thursday, September 17 at 8:00 PM. They will be hosting a concert to benefit USCF Benioff Children's Hospital and their goal is to raise \$10 million for the Children's Hospital. Concert headliners are Foo Fighters & Gary Clark Jr.

- Bayview Gateway Park Ribbon Cutting Celebration - September 18, 2015 at 4 pm, a new open space bordering Islais Creek, Third Street and Cargo Way

On September 18, 2015, we are pleased to be opening the Bayview Gateway Park, a new open space bordering Islais Creek at Third Street and Cargo Way. The Ribbon Cutting Celebration will commence at 4:00 p.m. Please come and join us. This is a new one acre gateway to the Bayview. It's a passive open space where everyone can come to enjoy. The project came with some funding from the 2008 Open Space General Obligation Bond. It employed 84 construction jobs and the work was prepared by Bowman Landscaping and Construction and Zaccor which is a marine demolition company. Both these firms are local firms and they did a great job in completing the project.

The landscape improvements for this space were locally sourced where possible. The concrete came from Central Concrete which is a Port tenant and the plantings came from Bay Natives which is also affiliated with the Port. The project is designed to process and retain storm water runoff on site and reduce water demand with drought tolerant planting.

We're very excited about the opening of this park and eventually we will also install some art which is undergoing a competitive process and hopefully there'll be an announcement coming forward in a month. Hope you can all come out and join us on Friday, September 18th.

- California Coastal Cleanup Day – September 19, 2015 from 9 am to 1 pm

On Saturday, September 19, 2015 is the annual California Coastal Cleanup Day taking place from 9:00 AM to 1:00 PM. As you know, Coastal Cleanup Day goes back to 1985. This marks the 30th

Anniversary of Coastal Cleanup Day. Approximately 2,500 Californians joined in the initial cleanup and now it's well over 50,000 people who join. In fact, it is so big that it has made the Guinness Book of World Records for the largest garbage collection ever. So we want to keep up that status but it's also an opportunity for the community to demonstrate how important it is to have clean shorelines and to have healthy marine life. If you can, come out and join us at any number of locations. There are seven locations along the Port where you can join in the cleanup:

- 1) Heron's Head Park which will be captained by the Greenagers of the San Francisco Rec and Park Department.
- 2) India Basin Open Space. The site captain is Baykeeper.
- 3) Islais Creek Park. The site captain is Kayaks Unlimited.
- 4) Islais Creek North. The site captain is Stuart Hall High School, Schools of the Sacred Heart.
- 5) Mission Bay/Bayfront Park, site captain is Sea Scavenger.
- 6) Pier 94, site captain is Golden Gate Audubon Society.
- 7) Warm Water Cove, site captain Green Trusts San Francisco.

The San Francisco Public Works Department will be also bringing in their Clean Team at Warm Water Cove to kick off their event as well. Please come out for the 30th annual California Coastal Cleanup Day and help us to keep not only our record in place but also to keep our shoreline as inviting and gorgeous as it is today.

- Bayfront Park Community Workshop – September 23, 2015 from 5:30 to 7:30 pm at the Mission Creek Park Pavilion at 290 Channel Street

On September 23, 2015, the Mission Bay Development Group with the Office of Community Investment and Infrastructure and the Port will host a community workshop to discuss the design for Mission Bay/Bayfront Park. Mission Bay Bayfront Park is located on Terry Francois Boulevard between 16th and South Streets along the Bay. If you know where Kelly's Mission Rock is, it's in that vicinity along the waterfront. The community meeting will be on September 23rd from 5:30 to 7:30 PM. It will be held at the Mission Creek Park Pavilion which is located at 290 Channel Street.

- Second Sale of 2012 Clean and Safe Neighborhood Parks General Obligation Bond (\$13.2 Million) for the Port's Crane Cove and Agua Vista Parks – for Board of Supervisors' approval in October

The City is proceeding with a Second Sale of its 2012 Clean and Safe Neighborhood Parks General Obligation Bond. \$13.2 million of the sale will be to support Port parks, notably the construction of Crane Cove Park and the design of Agua Vista Park, Agua Vista Park being near Kelly's Mission Rock. The Port is completing the schematic design of Crane Cove Park this fall with the goal of bidding the construction portion in

spring of 2016. We are proceeding with designing the Mission Bay Park and Agua Vista portion going forward and be ready for construction on that. As we get more details on the design of both parks, we'll be reporting back in the coming months.

- Memorial for Evan Rose, former Senior Urban Designer for City Planning – September 25, 2015 at 6 pm at SPUR, 654 Mission Street, San Francisco

We want to take a moment to remember somebody who's had a very big impact on San Francisco Planning, a gentleman by the name of Evan Rose who recently passed at a very young age. Evan will be remembered by SPUR on Friday, September 25, 2015 at their offices at 654 Mission Street. Evan was a former Senior Urban Designer for the Department of City Planning and also a co-founder of Site Lab Urban Studio in NY.

Evan was a young man. He was born in 1964. He left us on July 13, 2015. He was only 51 years old. He has spent the last eight years of his life battling a very rare form of cancer. He is survived by his wife Josslyn and son Ryder and by hundreds of students and colleagues and friends in all the places that he was able to work and to lend his expertise.

Evan earned his Masters in Architecture at UC Berkeley. He started his career as a Senior Urban Designer at the San Francisco Planning Department and he in fact wrote or co-wrote the award-winning San Francisco Waterfront Urban Design and Access Plan which is a portion of the Waterfront Land Use Plan and he initiated and implemented San Francisco's acclaimed Downtown Streetscape Plan.

He was a designer for 21 years. He led Urban Design Plus, a New York based practice, and prior to that he was a principal at SMWM for nearly 10 years. Evan was a professor of practice in City and Regional Planning at the University of Pennsylvania School of Design. He served as a Board member for the SFAIA and the California Council of the AIA. He was President of the SFMOMA Architecture and Design Forum. He was a Board member of SFMOMA's Board of Directors. He was a regular critic for Architect and Urban Design Studios at MIT, UCLA, CCA, Stanford and UC Berkeley.

He obviously had a very large sphere of influence despite his young life. He touched many of us and he left us behind a great body of work and legacy and he will be sorely missed. Commissioners, we welcome the opportunity to remember Evan when we adjourn your meeting today.

B. Port Commissioners' Report:

Commissioner Adams - On July 25, 2015 at ILWU Local 10, we had a home going ceremony for the late LeRoy King and it was well attended by politicians, Labor leaders, community people. It's a blessing to live to be 91-92 years old. You look around and if you don't see a lot of people your age, you've outlived your contemporaries. LeRoy was one of those people. I

It started off with a really nice speech from Leader Pelosi. She was there with her daughter Christine. The day that LeRoy died, Nancy was at the Capital and she took the flag down and gave it to Mr. King's family. Mike Casey from Local 2 spoke as well as Bob McElrath, President of the ILWU. I said a few words. Mayor Willie Brown was there. There was a mixture of people who said nice things. Sometimes it'd be nice if we told people what we felt about them when they're alive, because clearly when you're dead you never hear what people really think about you.

I want to thank the Port. Rene, Byron and Ricky attended the event. I know the history goes back a long way with Mr. King and Redevelopment. I want to thank Delancey Street for providing the refreshments. Mr. King won't be forgotten. His presence will be felt. He was a regular working guy and people of all statures came to pay tribute to a regular, good man.

Commissioner Katz - I noticed that there is more and more discussion and this may potentially come under new business. I noticed that several other City Departments are doing an assessment and preparing for El Niño. I wanted to acknowledge that others are doing that and I'm not sure if this is the right time to ask that perhaps we should start looking at what may the impacts on the Port if we have a significant storm.

Monique Moyer - We are very much involved in the City planning. It's actually a city wide process and so the Port's very much involved in that. We'll be reporting that when we have a little bit more to report.

10. CONSENT

- A. Request approval of travel for Port Commissioner and Port staff to attend the 16th Friendship/Sister Ports Conference in Shanghai, China on October 27-29, 2015. (Resolution No. 15-26)
- B. Request approval of a resolution of support for the San Francisco Bay Area Water Trail, being implemented by the California Coastal Commission. (Resolution No. 15-27)

Eileen Malley, City Attorney's Office – Since Commissioner Katz will be travelling on official Port business, you don't need to recuse yourself on this matter.

ACTION: Commissioner Adams moved approval; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor. Resolution Nos. 15-26 and 15-27 were approved.

11. FINANCE AND ADMINISTRATION

- A. Request approval to amend the previously approved supplemental appropriation to Fiscal Year 2015-16 Capital Budget by including 10 additional projects and increasing project funding by \$6.2 million. (Resolution No. 15-28)

Meghan Wallace, Port Finance - I'm here to request an increase to a previously approved Capital Supplemental for the Fiscal Year 2015-16 budget. This is a request, pending Port Commission's approval. Port staff would like to take this item to the City's Capital Planning Committee, then for further review with the Mayor and ultimately introduction with the Board of Supervisors.

To recap, in February, Port staff brought a Capital Supplemental to the Port Commission. This was an increase to the original Fiscal Year 2015 Capital Budget. The original amount was \$12.8 million. We increased it by \$19.5 million for \$32.3 million Capital Budget. As you can see from these diagrams, the majority of that funding was in the Southern Waterfront and as well on Repair and Replacement Projects. There was a large component for Enhancement Work and that was mostly in the Southern Waterfront for the Backlands Project, which was \$8.5 million.

The proposal before you is to increase our Capital Budget by an additional \$6.2 million. It's additional surplus from the Fiscal Year 2014-15 Budget. As you'll recall, I recently gave a presentation on our revenue performance. These funds are surplus operating revenue as well as expenditure savings from last Fiscal Year. As you can see from this chart, we continue to request to invest in the Southern Waterfront and you'll see projects related to the Northern Waterfront as well as portwide benefitting projects but we're looking at \$38.5 million in total Capital Funding.

This chart shows historical need versus actual spending. The bottom line in blue is a historical trend of capital spending closer to \$12 million or so. In order to meet our capital spending need identified in the 10 Year Capital Plan, we would be needing to spend upwards of \$40 million. Staff is excited to be able to say that this Fiscal Year upon approval of this Supplemental, we'll be getting pretty close to what we should be spending. Unfortunately, we don't currently have resources in hand to continue this level of spending.

The proposed projects include three projects that are more portwide in nature. The first one is to meet OSHA guidelines related to ladders and skylights. Staff brought a \$1 million project proposal but at this time we

ACTION: Commissioner Adams moved approval; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor. Resolution Nos. 15-26 and 15-27 were approved.

11. FINANCE AND ADMINISTRATION

- A. Request approval to amend the previously approved supplemental appropriation to Fiscal Year 2015-16 Capital Budget by including 10 additional projects and increasing project funding by \$6.2 million. (Resolution No. 15-28)

Meghan Wallace, Port Finance - I'm here to request an increase to a previously approved Capital Supplemental for the Fiscal Year 2015-16 budget. This is a request, pending Port Commission's approval. Port staff would like to take this item to the City's Capital Planning Committee, then for further review with the Mayor and ultimately introduction with the Board of Supervisors.

To recap, in February, Port staff brought a Capital Supplemental to the Port Commission. This was an increase to the original Fiscal Year 2015 Capital Budget. The original amount was \$12.8 million. We increased it by \$19.5 million for \$32.3 million Capital Budget. As you can see from these diagrams, the majority of that funding was in the Southern Waterfront and as well on Repair and Replacement Projects. There was a large component for Enhancement Work and that was mostly in the Southern Waterfront for the Backlands Project, which was \$8.5 million.

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The proposed projects include three projects that are more portwide in nature. The first one is to meet OSHA guidelines related to ladders and skylights. Staff brought a \$1 million project proposal but at this time we

recommend \$500,000 to get a project underway to improve our ladders and skylights.

Additionally, Ferry Terminal Float repairs are needed all along the waterfront. This particular \$520,000 proposal would be specifically for the China Basin Ferry Floats to service customers coming in for the Giants' baseball games and \$100,000 for Emergency Capital Funds. This would bring our total available funding, in case of an emergency, to \$800,000 so in the event that a fire were to occur and we needed funds on hand, this money meets that purpose.

In the Southern Waterfront, staff proposes an additional \$400,000 to fully repave the roadway around the Quint Street Lead Railroad Project. We're trying to improve and upgrade the railway to help support our maritime industry. The currently funded project only funds one third of the road repaving. This would repave the remaining amount and it's just an overall efficiency measure to do it all at one point in time.

Additionally, there's \$300,000 for the Pier 70 Sediment Cap. Off of Crane Cove Park, there is an area of contaminated sediment. Sedimentation that staff is working to contain through the Crane Cove Park project. However, there is a portion of it that's not funded through the Park project and these funds would help complete that remaining portion.

\$2.2 million is proposed for a Pile Removal Overall Strategy. Staff has been looking in the Southern Waterfront and recognize that there are a number of areas where there are old dilapidated piers where piles are hanging out and marring the overall visual appeal of the Southern Waterfront. Additionally, a lot of these piles are creosote treated, so they have a variety of chemicals that are leaching into the water which is not good for the environment or generally for human health if people are exposed to the water.

This proposed funding includes, or the strategy includes \$200,000 from a Coastal Conservancy Grant. You've already approved this but in terms of looking at the overall approach to improving the waterfront, this grant is going to address Piers 82-84. Additionally staff is proposing this \$2.2 million to address the Pier 90 wharves as well as the Pier 98 Lash Terminal.

This map helps depict the areas proposed for immediate work. At the very top you can see Piers 82-84 and that's where the Coastal Conservancy Grant funding will come in. Pier 90, you can see the red circle is for the wharf area at that pier. In the bottom left, the Pier 98 Lash Terminal is near Heron's Head Park. The other two projects in yellow are the Pier 90 grain silos and Pier 70.

Both of those projects are very expensive and require longer term permitting processes so staff recommends deferring funding at this point in time so that we can move forward, complete those permit processes, as well as try to

secure external funds. For example, there are Army Corps funding, and the Exploratorium has fill removal requirements through their BCDC permitting.

Heron's Head Park is receiving settlement funds as a result of the Cosco Busan oil spill. \$665,000 was allocated to the Port from a settlement amount of about \$1.1 million. The remaining amount went to the Recreation and Parks Department for a project. As you can see towards the bottom left of the page, you can see Heron's Head Park, there's a land area that's filling with water that needs to be stabilized and if it's not, the sediment could become subject to regulatory action because the emissions of various contaminants from that sediment could become a problem.

In the Northern Waterfront, we have three project proposals. \$664,000 would allow us to improve the Beltline Building. Right in the same complex as our new cruise terminal, we have this beautiful historic building. The front is circa 1911 and the back is the 1940s. By improving this, we'll be able to do retail on the bottom level and office in the back area. This funding complete ADA improvements and prep it for being a leasing space. We're looking at about \$100,000 of new annual revenue from this project.

The Pier 29 substructure is in need of improvement to lease it out for additional retail space. This bulkhead facility which was really beautiful and suffered from a fire in 2012 and has been rebuilt. Now staff is ready to lease it out but by completing the substructure improvements and the life of the facility will be extended for 10-20 years. Because of the fire, this pier is receiving \$2 million in insurance proceeds. The additional \$700,000 will close the gap in funding need to repair the substructure.

I have this diagram just so you can connect the dots between what I'm proposing today and what you've heard from Engineering staff in the past for the overall need at Pier 29. To be clear, the \$2.5 million is the construction cost of the funding we're proposing under the bulkhead area to address deferred maintenance need in the substructure. But as you can see, there are other deferred maintenance requirements farther along under the pier as well as on the superstructure of the shed. Depending on the use of the facility, we might trigger the need to improve seismic conditions of the facility.

Lastly, staff is recommending a \$1 million contingency for the Northern Waterfront structures improvement facility. We have a number of projects currently underway or proposed to you. Depicted here on the bottom left is Pier 31. You recently approved staff to go out to bid on improving that facility. The bottom right is the Beltline Building and again Pier 29 up top.

Staff has identified a construction climate that is not very competitive. We're seeing costs come in higher than originally estimated and this contingency would allow staff to move forward with projects as they come in. Should they come in over budget, staff would return to the Commission to award, and we

would be presenting budgets that might include this contingency amount for these individual projects.

In conclusion, we're looking to increase the budget. The total amount would be \$38.5 million. We see this as helping support a lot of interests on the Port for the Southern Waterfront, Northern Waterfront, facilities for leasing, human and environmental health and safety and overall by increasing revenues in our number of facilities we'll be improving the Port's financial position.

Commissioner Woo Ho - I want to commend you all for being able to find the extra funding. Obviously it's very good to see that coming out of our operating surplus in addition to what's been approved. I don't have any comments on the specific projects. It's important that hopefully, we'll continue to see another report like this that is over and in excess of what our policy is.

Commissioner Adams - I just want to tell you and the committee that this is good work. It says it right there that these capital investments will improve the Southern Waterfront, and human and environmental safety, facilities for commercial leasing and the Port's financial position. This is money well spent and the committee did their due diligence and I support it.

Commissioner Katz - Thank you. I echo my colleagues' comments. I also want to thank Commissioner Brandon who is unfortunately ill today so we wish her a speedy recovery. She has been very focused on ensuring that we move those pilings that are in the Southern Waterfront and I'm sorry she can't be here today to hear that it will be going forward. She really has been very vocal about ensuring that happens. I want to give kudos to her and I know she'll be pleased. Hopefully maybe she's home watching this.

I want to thank you and your team. This is exciting. As Commissioner Adams pointed out, these are things that are needed and I'm thrilled that we were able to find some additional funding that makes some of these projects happen.

ACTION: Commissioner Adams moved approval; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor. Resolution No. 15-28 was approved.

12. REAL ESTATE

- A. Request approval for Lease No. L-15908 for premises located at Pier 33½ in the Northern Waterfront between the Port of San Francisco and of Queen's Louisiana Po'-Boy Café, LLC ("Queen's") for a term of 5 years (This action constitutes the Approval Action for the project for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code). (Resolution No. 15-29)

Jay Edwards, Senior Property Manager for Port Real Estate - I'm here today to request approval for the above lease that Amy has just referenced. As background, this is an accumulation of a lot of work on Port staff to originally renovate Pier 33½ and it goes along to Meghan's previous presentation on the capital invested in Port assets.

This started out as a former firehouse that's been renovated and we've now successfully leased the upper floors for office tenants. We have a new lease that's moving in here shortly. This is the ground floor opportunity that we issued an RFP for a pilot RFP program. We're delighted to have Queen's Cafe as our selected respondent. We've been to the Commission previously to present the results of the RFP and then also to enter into an Exclusive Negotiating Period which we've included. Today we're here to hopefully seek your approval for the lease.

The staff report outlines all the terms and conditions that follow the RFP and the process we engaged in. There's a BLI that contains all the business terms but the main difference between what we had presented before and today is that we have agreed to a period of time for permitting, construction and a brief start-up period to offset the cost associated with this and that's a total of 270 days. It's a firm date. Beyond that, they will be responsible for paying rent.

Overall, this represents a great opportunity to launch this pilot RFP program for a diverse, well-received, community-based restaurant that's run by a lovely couple, Troy and Danielle Reese. We're optimistic that it'll all work out. They have the lease. They haven't signed it yet. They're doing their final reviews but we're very hopeful that'll all happen based on your approval.

Commissioner Woo Ho - I really don't have any comments. I think we've worked on this for quite some time and it looks like it's coming to a successful conclusion so we appreciate that. It's good that we're meeting our objectives with Queen's Po' Boy and the LBE and the diversity efforts that are paying off. I'm looking forward to seeing this getting executed.

Commissioner Adams - Jay, Monique and Susan, I want to personally thank you. It's been a long road. There were times where I kind of thought this thing was going to fall through the cracks. It didn't. We stayed the course. We've been pushing for a while to give a small guy an opportunity. They're a small business and will add some diversity to our Port. I'm happy about that, some good Louisiana Cajun food down here in the Port will be good to entertain our 27 million passengers a year that walk up and down this waterfront and people who come to our beautiful city.

Commissioner Katz - Jay, Susan and everyone else who worked on this, it was exciting to take a novel approach to making opportunities available to people all throughout our city and I hope other departments take a look at what we've done. Thank you all for that. I'm excited to see this team come in

here. As I mentioned last time, I'm one of the few Commissioners that's patronized their establishment on occasion so I'm looking forward to having it down on our waterfront.

ACTION: Commissioner Woo Ho moved approval; Commissioner Adams seconded the motion. All of the Commissioners were in favor. Resolution No. 15-29 was approved.

13. MARITIME

A. Request approval of Amended Maritime Industry Preservation Policy.
(Resolution No. 15-30)

John Davey, Chief Wharfinger - I come before you today to seek your approval of an amendment to the Port's Maritime Industry Preservation Policy. It was in September of 2011 that the Maritime Department originally brought before the Port Commission this policy which formalizes and then prioritizes the maritime activities and assets throughout the Port.

At that time, it primarily focused on the preservation of our deep water berths and our ocean-going vessels. We recognized over the course of the past four years, the need for us to update this policy to be more comprehensive to include all of the types of maritime industries throughout the Port. Particularly in the last four years, there's been some notable improvements and changes to the maritime portfolio.

We know about the James R. Herman Cruise Terminal at Pier 27. We also initiated water taxi services up and down the waterfront and we also took on the day-to-day management and assumed all the staff from the South Beach Recreational Harbor near AT&T Park. We found that it was timely with the Port's efforts to update the Waterfront Land Use Plan to amend this policy, to update it and be more comprehensive to include all these industries.

Throughout the policy itself, those updates are represented by being double underlined. With this Maritime Policy we believe that it's going to be a useful and very collaborative tool as a part of the Waterfront Land Use Plan Updates by identifying, acknowledging the Port's maritime inventory and to ensure the protections of the plan to ensure more detailed inventory of our maritime facilities and needs.

To go more specific to the policy itself, the Port hosts a vast array of maritime industries not only in the deep water realm and cruise and cargo operations, but also in the ferry operations, the water taxis, harbor services and tugs, our ship repair yards, commercial fishing and now more than ever with our recreational boating facilities. Out of a concern for the protection of these maritime industries, the San Francisco Water Land Use Plan identifies the need to balance both maritime commerce and non-maritime commerce in public access.

Since its initial adoption of the Waterfront Land Use Plan, the Port Commission has approved amendments that provide more specific guidance for public access to the waterfront and for development of public spaces. To this end, we bring forward to you the amendment to the Maritime Industry Preservation Policy to further augment and be more specific to those.

The priority of the Waterfront Land Use Plan is to ensure that there are water dependent activities that have the priority along our waterfront. This policy is to ensure that there are financial and planning strategies in support of this current and long-term protection of our maritime facilities. The seven policies are:

1. Encourage the development and the rehabilitation of Port assets that enhance current water dependent commercial uses are designated Port priority areas.
2. Protect the Port's remaining natural deep water berths for maritime uses by requiring that such berths are utilized by vessels that are in active capacity. In other words, we don't want to use our deep water berths for vessels that are idle or that lay up or that don't actually engage in maritime commerce.
3. Promote the Port's development and historic rehabilitation projects that incorporate physical improvements to maritime deep water berthing facilities, including associated needed repair or equipment requirements. The Port will seek future development on Port property that includes proportional equitable investment by parties to enhance and protect maritime facilities and uses of development sites that have maritime access. The Port will also seek further development opportunities on Seawall Lots and other Port property without water access that include a proportion and equitable contribution for new Maritime Preservation Projects.
4. Discourage the location of non-water dependent municipal or commercial uses or facilities other than parks on sites with waterfront access.
5. Maintain adequate water depths to accommodate the future and Port maritime activities by using best efforts to prioritize funding of maximum levels for dredging of the Port, in the Port's Capital Plan. Set an internal goal that 50% of the Port's Annual Operating Capital Expenditures excluding bond and grant proceeds for upgrades to such facilities and dredging, apron and fendering repair, upgrades to the Fisherman's Wharf/Hyde Street Harbor, ferry and water taxi maintenance and development, rail infrastructure improvements, cargo warehouse structural maintenance.
6. When promoting maritime recreational uses of the Port, minimize conflicts of current and future developments between ocean-going vessels and said recreational uses.
7. Prioritize water dependent uses and do not allow prescriptive limits to standard operating procedures and docking periods for the purpose of accommodating adjacent non-maritime uses, public access or view

corridors except as otherwise identified in the Port's Waterfront Land Use Plan.

The Port worked with our Maritime Advisory Committees and Real Estate and Development to put together some maps that comprehensively show the maritime uses and some attributes about them, both current and future.

In the Southern Waterfront, the area is already under maritime use at Pier 96, Pier 94, Pier 80, the Shipyard, Pier 50 with our tug and harbor services operations.

In the Central Waterfront, the large pink area is the South Beach Harbor which we require be involved with the recreational business. We have the China Basin Ferry Terminal in the Capital Plan. We have monies to do some refurbishment, repair and dry-docking. Around the Ferry Building, there's going to be future expansion of the ferry docks and the ongoing ferry operations that are quite successful. In fact, this past weekend, it took up a lot of the weight of the closure of the BART tunnels.

The Pier 15 guest dock is very small, but it's going to be delivered and completed by the end of the year. We will be in the process of amending our water taxi agreements to allow for expanded water taxi landings at the Exploratorium at Pier 15.

In the Northern Waterfront, you can see the Pier 27 area, the future developments in and around Pier 31 and 33 that we've talked about the Cruise Terminal and the Fisherman's Wharf Harbor where currently we have several projects underway to rehabilitate some of the old fishing wharves in the fishing lagoon. Aquatic Park is an open water basin.

This Maritime Industry Preservation Policy is meant to guide Port staff and its tenants and developers of the importance of maintaining the Port's vital maritime assets and acknowledges the Port of San Francisco's maritime heritage and its perpetual maritime mission. Port staff will use the Maritime Industry Preservation Policy to determine whether it is in the best interests of the Port to recommend to the Port Commission to grant a request of a tenant to develop or renew a Port asset.

Christopher Christensen, ILWU - I'm here to say we support this maritime industrial preservation policy. We hope that you do keep in mind that this is a historic and very beautiful waterfront and that with it you keep some of the maritime commerce here..

Ellen Johnck - I'm Co-Chair of the Maritime Commerce Advisory Committee along with Marina Secchitano. I am really happy, in fact, thrilled that this policy has come before you today with the amendments that we've been working on at our committee meetings. In fact, we spent a good two meetings talking about additional language and working on the maps. I want

to thank John and Gerry for the terrific job that's been done on the maps. We're really happy to see those because we think they provide much added and welcomed clarity to the definition of our valuable maritime assets on the waterfront. John pointed out the underlying language which we support and strongly encourage your endorsement of the resolution, we finally added ferries and water taxis to our list of maritime industries. We're really happy to finally do that.

We look forward to having a very active involvement in the Waterfront Land Use Plan Update process. In fact I am reminded that it was two years ago that our committee had a mission to the Board of Supervisors. We spent a day with the Board describing the Maritime Preservation Policy and talking about several projects with which we wanted their attention on. It may be timely during the Waterfront Land Use Update process to do that again. I want you to know that we continue to be a very active support for the protection of the maritime industry and call on us anytime for further advice.

Captain Ray Shipway - Thank you for allowing us to speak on behalf of the maritime world. We thank Director Moyer and the Maritime staff. John, great job on the work you invested on the update of the Maritime Preservation Policy. We thank you for including the reference to the ferry and water taxi and harbor services.

As a representative for the Masters, Mates & Pilots in the State of California, we deal directly with the inshore group. Those folks that work right here in San Francisco as well as Los Angeles. But the three key industries for which the MMP members and San Francisco waterfront all work at Blue & Gold, Westar, Bay Delta and Tideline Water Taxi, we'd ask you to go one step further with the language that you've already encouraged and that's to clearly encourage the investment of private dollars in the ferry facility and water taxi landings. I'd like to present you with a copy of what we presented.

What that actually says is that we encourage private investment in the ferry facilities, water taxi landings and proposed waterside development or commercial projects in support of these maritime industries at the Region's Water Transportation Network. We would like you to put some more language in this Maritime Preservation Policy that says, "If you're going to build on the waterfront, we want you to include the landings and so forth for water taxis and for the ferry service." It's a different size vessel, it can be accommodated easily and the expense should not have to be fought for every time someone wants to build on the waterfront. I appreciate your time.

Chris Kenney, Bay View Boat Club - I am the current Port Captain and past Commodore of the club. For those of you not familiar with the club we have about 300 members, sailors, power boaters, tug boat operators, merchant marines and commercial fishermen. Our proximity to the public launch ramp, as well as our association with PICYA, RBOC and Cal Boating has made us the unofficial de facto ambassador to recreational boaters.

When I look at this and I look at all the work that went in, I'm glad to see recreational boating included in several new passages here. I want to thank everybody on the Commission for doing that work.

Commissioner Adams - I have a motion to amend to insert after paragraph one the language that was proposed by MMP to the Port of San Francisco and the Maritime Industry Preservation Policy. This is a friendly amendment.

John Davey - Where we enumerate the numbered policies, you want to expand it or add another item?

Monique Moyer – Can we get a copy so we can follow the Commissioner's direction?

Commissioner Katz - So the language to repeat was, "Encourage private investment in ferry facilities and water taxi landings in proposed waterside developments or commercial projects in support of these maritime industries and the region's water transportation network." I'm not sure if we want to include the word "private" or just do "encourage investment".

Monique Moyer - If you could give us direction to find a place to put this in rather than where we put it in, would that be alright?

Commissioner Katz - Absolutely.

Commissioner Woo Ho - So we will have eight points instead of seven.

Commissioner Katz – Or it might be subsumed in one of them.

Monique Moyer - We might have seven or we might subsume this in one of the seven if you will leave us that discretion. But we will include the words you encouraged us to use.

Commissioner Woo Ho - I'm very happy to see this update to the Maritime Industry Preservation Policy since you have outlined a number of areas that I have advocated, particularly on the water transportation area and the water taxi and I am very much in favor of the amended language that we're adding to the policy. It's very apropos and obviously does kind of bring us up to date with some of the investments and activities that we've already embarked upon and it sets the direction that we think is very important going forward in addition to all the traditional maritime activities that we have had in place all along.

It's good to have an update and it's also apropos in terms of the fact that we are working on updating our Waterfront Land Use Plan and any other planning documents that we're using at the Port that we be complete in terms of how we think about the various sectors that we're involved in. I'm very supportive and very glad to see and appreciate that the community and the number of people that have come up to speak that have been involved in

this so that we are working with our collaborators and community stakeholders as we go forward to see a total vision here for the Port.

Commissioner Adams - I also speak in support of 13A Maritime Preservation Policy.. I like the update. John, I want to thank you and Gerry for your work on this. I also want to thank the community and everyone coming out and clearly this is a working waterfront that we have. Not only for maritime but everything. People that work on the waterfront are working people and this only fits into the culture and the history of San Francisco. Sometimes the Port's like a helicopter that has a lot of moving parts and Maritime is clearly one of those moving parts that's integral in the survival and important to the Port. I support this along with my fellow Commissioners. John, once again I want to thank you and Gerry for your hard work.

Commissioner Katz - Likewise I'm pleased to see this. I think one of my very first votes was on the original policy. It's really gratifying to see what's transpired since then to see the amendments that are coming forward here. I too want to thank all of the people who spoke today. It's always nice to hear people speaking positively about the work that's being done and acknowledging the hard work of our staff. John, I want to thank you and others who worked on this. I'm very excited about it.

Commissioner Woo Ho - I think we also want to give some credit to former Commissioner F. X. Crowley who brought this Maritime Policy and asked us to put something in place in 2011 and while he's not sitting on this Commission, we want to credit him for getting us to move in this direction. He's a fellow traveler here with Commissioner Adams on the Labor side, so good work.

Commissioner Adams - I'm glad of that because I brought you along too Doreen.

ACTION: Commissioner Adams moved approval to amend the policy to add the item requested by Captain Ray Shipway; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor. Resolution No. 15-30 was approved.

14. PLANNING & DEVELOPMENT

- A. Informational presentation regarding results of Request for Qualifications/ Proposal for Sustainable Recycled Asphalt and Concrete Plants and Lease Opportunity at Pier 94 and Seawall Lot 352 (located along Amador Street).

Daley Dunham, Port Special Projects Manager - I'm joined here today with San Francisco Public Works staff Patrick Rivera. Division Manager and Richard Dierkopf, Associate Engineer. In February, this Commission authorized Public Works staff along with the Port to issue a competitive solicitation for concrete and asphalt batching plants along with companion

long-term supply contracts for both. That solicitation went out in April and we're here to present the results to you today.

This is in keeping with the Port's implementation of Piers 80-96 Maritime Eco-Industrial Center Strategy. The idea of batching plants in this location has been around for a while and has been in front of the Southern Waterfront Advisory Committee many times. We continue to enjoy their enduring support for this use there. The final supplemental Environmental Impact Report for the Southern Waterfront has also studied additional batching facilities there with aggregate limits on production.

Lastly, to preview some of the results, the proposal that had the highest overall score, also was the highest scoring in the local economic benefits criteria, something that has always been near and dear to the Commissioner's heart. As for the site itself, the opportunity calls for the site to be available for the construction of a new concrete and/or asphalt plant with the possibility of additional space made available across Amador Street at the Backlands if there was a demonstration of need.

Also it was very clear with all the respondents that this was a maritime facility that included access to the Pier 94 berth. This came up quite a bit in the Q&A once the solicitation was underway. All understand that if they're bringing constituent materials via roadways or adjacent sites that the Maritime Deficiency Fee is part of the package when they sign the lease.

There was an operating asphalt plant in the city from 1909 to 2008. It was shut down in 2008 so we've been without one for the interim period. Two current Port tenants that produce concrete and we have gone out for a third concrete batching plant before but some of you will remember Pacific Cement, got partway through that but it never came together in the end. We have a nice foundation out there but that's about as far as it got.

The authority that you gave us on February 2, 2015 to go out for the solicitation, five acres, potentially space across the street and the long-term supply contracts. At this point I'm going to hand it over to Patrick Rivera of Public Works for the description of the solicitation process itself.

Patrick Rivera, San Francisco Public Works - I'm going to walk you through on the solicitation and selection process. On April 7, 2015, Public Works issued the RFQ/P. It was posted in newspapers and on the posting web sites of Public Works as well as Office of Contract Administration. A pre-submittal conference was held on April 20, 2015. 18 members of the public attended representing 12 firms as well as Public Works staff as well as Port Staff.

A brief presentation was made on the RFQ/P and we fielded questions from the attendees, three addendums were issued. Two to extend the submittal deadline to give the respondents additional time to prepare their proposals and one was to respond to the questions that were fielded at the pre-

proposal conference and site tour as well as during the Request for Information period noted in the RFQ and RFP.

Four proposals were received on June 16, 2015. The Advisory Panel reviewed and scored their proposals and then oral interviews were presented and scheduled and held on August 11, 2015. We convened a five member Advisory and Review Panel consisting of members from our staff from the airport, the Port of San Francisco, Public Works and the Public Utilities Commission. The review panel reviewed and scored the written proposals as well as the oral presentations.

The objectives of the RFQ/RFP were to select the high quality asphalt/concrete facility operator, increase shipping at Pier 94 berth, develop and construct a well-designed industrial facility, provide high quality and affordable supply of asphalt and concrete for projects, for City-sponsored projects, to minimize unnecessary truck trips, promote City environmental policies and provide employment and contracting opportunities to the 94124 zip code. We want to ensure that the project is consistent with City and Port Land Use policies.

There were nine criteria that the written proposal and the oral interviewed were based upon and they're listed here. I won't go through all of them but you can see the nine criteria as well as the points. Again both the written and the oral presentations and the interviews were based off of these nine criteria. The total of both the written and the oral would determine the ranking of the respondents. The written proposal was 65% of the total score and the oral interview was 35% of the total score.

The four respondents, the first one is NewCo which is a partnership or entity with ProVen Management and DeSilva Gates and NewCo would partner with Central Concrete. The second one is Granite Rock. The third respondent was Conco. The fourth one was RMS Resource Management Systems which is a partnership with Ghilotti Brothers and Bayview Sand and Gravel.

The results of the evaluation of both the written and the oral scores are shown here. As you can see the number one ranked respondent was Central Conco and NewCo comprised of ProVen and DeSilva Gates. Second was Resource Management Systems. Conco and Granite Rock rounded out the third and fourth ranking respondents.

In the NewCo and Central Concrete proposals, it included construction of a new recycled content asphalt plant. Because Central Concrete is currently onsite, they would dedicate their concrete facility to provide the high recycled content concrete and then also high on the scoring was the long-term supply contracts for both city asphalt and concrete.

Daley Dunham – The next steps are for us to return to you at the next Commission meeting where we'll ask for authority to enter into negotiations around an ENA with the selected respondent.

Commissioner Woo Ho – Is the site currently unused?

Daley Dunham - That's correct.

Commissioner Woo Ho - This asphalt/concrete, is it going to supply the City or is it going to also supply the private sector?

Daley Dunham - It's open to the City and private sector. The long-term contracts will be between the City and the batch plants but they're open to both.

Commissioner Woo Ho - I guess we'll know more about the financial terms and everything else later down the road. Obviously, a new plant has to be constructed.

Daley Dunham - That's correct. There's some broad outline in the initial February staff report which suggests a 10-year initial term plus some multiple five-year extensions. The term has to be sufficient to amortize the construction.

Commissioner Woo Ho - I know we're not here to approve any of those particular terms but roughly how much investment's involved?

Daley Dunham - How much investment on the part of the Port or on the part of the respondent?

Commissioner Woo Ho - The whole project, regardless of who's paying for it.

Daley Dunham - I can tell you roughly, one of the proposals anyway has a figure for construction of the asphalt plant at \$8.5-10 million.

Commissioner Woo Ho - I guess part of the reason for this proposal also is that the City is having trouble getting enough concrete and asphalt locally?

Daley Dunham - Well, there are really two but there's a larger policy objective which Patrick can speak to this, of closing the loop on the recycled content that come out of our City projects. Where we have asphalt grindings and concrete that can then be put back into the materials that are going to be used for City projects. There's a larger policy goal of reduced waste, high recycled content.

Commissioner Adams - It's amazing that hands down, Central Conco won nine categories. Normally you don't ever win nine games in a row. They won every category hands down. Going back to what Commissioner Woo Ho

said, maybe you don't know the number but just get it to us, because I'd also like to know. It seems that they've kind of proven themselves.

Now, the only place where it was kind of close with everybody else was in the financial capacity category. Can you explain that a little bit to me or maybe somebody can tell me? That was pretty close in the ranking but the rest of them, they kind of blew them out of the water.

Patrick Rivera - The entity comprised of NewCo with DeSilva Gates and with ProVen Management, they've been in the business a while. If I remember from the proposal and from the oral interviews, they presented a very strong financial backing in order to make this happen. DeSilva Gates has been around for quite some time. I understand that they have an asphalt facility over in Sunol that they're working with PUC. They have the expertise.

Commissioner Katz - Is that asphalt or concrete?

Patrick Rivera - I believe it's asphalt. They do have the expertise, so they know how to do this and they have the financial backing. They presented as much as they could without giving up their secrets that they do have the financial backing in order to make this happen.

Commissioner Katz - I was curious a little bit too because it was just so lopsided. I guess the one that really struck me was supply guarantees and how they were able to have so much stronger a supply guarantee.

Patrick Rivera - Again, with Central Concrete being part of their team as well as DeSilva Gates being in the business of asphalt and concrete, the score really shows that they know what they're doing and the ability to provide the asphalt and the concrete plus having and working with an asphalt facility that they currently run. It puts them head above heels above everybody else.

Commissioner Woo Ho - So it's three companies coming together to do this. Are they going to form a different entity to manage this or how are they going to work? Presumably, when you get to the ENA we want to be very clear because it can be very complicated to have three companies working together and how the management structure WORKS, they obviously came together, but it wasn't very clear in this write-up how the structure going forward to operate will be. Is it a new entity?

Daley Dunham - In their write up, they give their intent to form the joint venture on the asphalt side. They do discuss that they will form NewCo as the joint venture just for asphalt. On the concrete side for this particular proposal, they discuss the proposals as related and for the Port to enter into an ENA, it is our intent at this point to enter into an ENA with NewCo the joint entity on the asphalt side, because we're negotiating a lease with them. Public Works will be entering into negotiations over the long-term supply contracts which is a different set of relationships and a different negotiation.

Commissioner Woo Ho - So the tenant is going to be NewCo for us?

Daley Dunham - Correct.

Commissioner Woo Ho - We just want to have a nice, clean operating management structure that we know who we're dealing with and we know who is liable legally etc. so that we're not confused by that in the future.
Commissioner Katz - Great, glad to hear we actually had a lot of people interested in the site. You probably will get similar interest next time we go out on this.

- B. Request authorization to enter into Exclusive Negotiation Agreement with Teatro ZinZanni and its financial partner, Kenwood Investments No. 6, LLC, operating together as TZK Broadway, LLC, for the lease and development of a dinner-theater and a maximum 200-room, 40-foot high boutique hotel and an approximately 7,500 square foot privately financed public park and ancillary uses at Seawall Lots 323/324 and portions of Vallejo and Davis Street right-of-ways on the west side of The Embarcadero at Vallejo Street. (Resolution No. 15-31)

Ricky Tijani, Project Development Manager with the Planning and Development Division of the Port - I'm going to provide a report on what has been accomplished since the last time this item came before you in October of last year, as well as the current request.

The item before you is an Exclusive Negotiating Agreement and this proposes to allow staff to work with the developer TZK. To allow us to work with them to refine their development proposal as well as negotiate the term sheets that's going to include the terms and conditions of the lease that will be coming back to you later on at the end of the ENA period.

TZK is a California Limited Liability Company that is being put together by Teatro and the Kenwood Investment Company that they've brought in to provide development expertise for their proposals. TZK, the LLC includes two members. The managing member would be Kenwood Investments and Teatro would be the second member. Kenwood Investments has formed another LLC named Kenwood Investment No. 6 and Teatro has equally formed an LLC also called TZZ. Both are California Limited Liability Company. Kenwood Investment No. 6 will control 80% of TZK. TZK will be the entity or the developer that will be entering into the ENA with the Port. I will be referring to TZK as the developer.

This is the site that is the focus of the ENA. It is Seawall Lot 324. It's on the corner of Broadway and Embarcadero. That site is the Gateway to Chinatown as well as the Northern Waterfront. This is a view of the site looking at it from the corner of Broadway and Embarcadero.

This is a view of the site also as anyone is standing at Pier 9 and looking towards the West. The Port owns Seawall Lot 324 as indicated in this slide and Seawall Lot 323. The site will consist of four lots. Two of which we are referring to as a Street Stop, that is the Vallejo Street Stop as well as the Davis Street Stop. The four lots will constitute the site. Those are not two sites, the Street Stops are being controlled by DPW. The overall site is roughly 57,000 square feet with a height limit of 40 feet and the permitted uses are indicated on this slide.

Teatro ZinZanni is a former Port tenant. They entered into a lease back in 2009 and for 11 years, they operated portions of Pier 27 and 29. To accommodate the construction of the Cruise Terminal and Pier 27 as well as the 34th America's Cup, both the Port and Teatro mutually agreed to terminate that lease to allow that to happen. Part of that agreement were some conditions to accommodate Teatro that if they were able to make a final location which was later identified as Seawall Lot 324, that they could move their operation there.

They did and they proposed a series of temporary structures on that site. However, there were reservations from the community because they thought those temporary structures are not compatible with the Northeast Waterfront Historic District.

Teatro decided to say, "In order to create, to construct how many structures that are going to be more expensive, that they will need to expand their use programs." Including expanding the site from just a portion of Seawall Lot 324 to the entire Seawall Lot 324 and the adjacent Seawall Lot 323 as well as those two Street Stops.

At the same time, they knew that in order to amortize the cost of these expensive permanent structures, they're going to need a longer term lease. Their proposal consists of those three things including bringing on a development partner that has the experience and the wherewithal since they're not a hotel developer. Their proposal includes a boutique hotel with up to a maximum of 200 rooms with commercial retail space to accommodate Teatro's Dinner Theater. A privately funded public park.

In approaching the Port, because of the competitive bidding policy requirement of the City, you directed us on October 28, 2014 to work with Teatro to develop and introduce a legislation before the Board of Supervisors that may exempt them from that competitive bidding policy. With the help of many staff including Brad Benson, the Board of Supervisor gave an approval of that exception on May 5, 2015.

These are the key terms of the proposed ENA. One is the term. The term is going to be for one year which will cover the period of the negotiation to arrive at a term sheet. That term sheet include the key terms that will be rolled into the lease as well as the LDDA which is the Lease Development

Agreement that covers the construction period. The proposed ENA equally includes providing up to four six-month extensions.

Typically an ENA period would last roughly two years because it includes getting approval, design review, going to the community, finding the financing and so forth and so on. But TZK or the developer think that they want to get this done very quickly within a year. As a result, we decided to provide for additional extensions to accommodate if there is a need for additional time for them to complete their due diligence and go through the ENA period.

The fee for that one year initial period is \$100,000. They have requested that they be allowed to pay half of it during the ENA period and the balance of \$50,000 will be paid at the close of construction. Then for each extension, it's going to be \$50,000 for each extension. Those extensions are not automatic. They're going to be subject to delegation of authority to the Executive Director to review how they're doing during the ENA period if they've met some of the benchmarks and if they're moving diligently to get to the next level before that extension will be granted.

Also proposing the ENA was to cover costs that the Port will occur during the ENA period. Those costs cover staff time, the City Attorney that will be assisting us as well as outside attorney that will be assisting us as well as consultants that will be assisting the Port. The performance benchmarks are indicated in the staff report but the key benchmark will be getting your endorsement of the term sheet when we do get there and getting the endorsement of the Board of Supervisors for the term sheet.

During the ENA period is a period that you go through before you enter into the lease to make sure everything works. So that will include regulatory approval, talking to State Lands Commission staff and addressing the Trust Consistency Approval. Because this is a valuable asset of the Port and the fact that it's going to be tied up for that one-year to two-year period during the ENA period we're providing in the ENA that any material work produced from their architects be assignable to the Port in case the deal does not move forward.

That provides an opportunity for the Port to move very quickly if we do decide to find another developer to move forward with that development. This approval is not a project approval under CEQA, it's just giving direction to staff to allow us to work out the deal. The final project itself is going to be subject to CEQA review and on completion of that review.

Representatives of the developer, Teatro and Kenwood Investments are here as well as Norman Langill, Annie Jamison, Jay Wallace and Darius Anderson.

Norm Langill - I'm President of Teatro ZinZanni. I appreciate the time that staff has put in and worked very hard on this. I'd like to thank Ricky and Byron and particularly Grace Kim of the City Attorney's Office while we were able to go through all the terms of ENA and try to iron them out for this meeting. Particularly I'd like to thank the Port Commission and the Board of Supervisors and the Mayor.

We're very eager to come back and get on with the design process and the actual leasing terms and get back to the neighborhoods to show them what we're up to so we can come back to you with a final deal coming up. Thanks for taking the time.

Commissioner Katz - Thank you for your persistence. I'm looking forward to having a dinner show back there again soon.

Morton Beebe, member of the Barbary Coast Neighborhood Association, on its Board. That's those of us who are on the flat adjacent to the neighborhood of Telegraph Hill - I was asked by the Board if I could express support for Teatro ZinZanni and its relocation. We miss it. It was a wonderful institution when it was right across the street and we look forward to seeing them back in the new location. We have no objections that we are aware of from our neighborhood. Thank you.

Bill Hannan - I've lived at the Gateway for 25 years. I'm President of the Golden Gateway Tenants Association. I've attended several of the community outreach meetings Teatro ZinZanni has held. Everything I have seen so far looks very good to me. I look forward to seeing the architect's plan when the time is right. I hope this Exclusive Negotiating Agreement will go forward and be approved.

Marvin Kasoff - I'm on the Board of Directors of a group called RENEW SF. We've been responsible for a number of projects, both on the Port, on the Embarcadero and in North Beach and I've been asked by the Board to come and speak on behalf of Teatro ZinZanni. I also look forward to attending once again, having missed it for the last several years. I think it's fulfillment of assurances made and I would remind the Commissioners of the fact that we seldom have an 11-0 vote by the Board of Supervisors on any project. So I urge your support for the proposal. Thank you.

Joe Ratner - I am just representing myself, a citizen of San Francisco and a lover of Teatro ZinZanni. I know there's a lot of community support. Many of us look forward to being able to attend their performances again. I particularly look forward to and they're bringing back their camp in the summer. My daughter who is now 16 had a wonderful time at their circus camp and I look forward to my younger kids getting to attend that too. It really represents a lot of what is great about the diversity of San Francisco. Thank you.

Karl Theobald - I played saxophone in ZinZanni for nine years, five nights a week. It was pretty awesome. You all being on the Commission probably hear a lot of just stuff about numbers and money and all the things. But the human side to ZinZanni is pretty special and the fact that it was an artistic endeavor that employed artists full time from all over the world, not to mention the wait staff who are all very artistic themselves. Kitchen staff, bussers, back stage staff, stage crew, sound guy, magician wranglers, it's just a wonderful thing. We're all very excited to hear what you have to say about it. Thank you.

Kathy Rose - I was the Production Manager at Teatro ZinZanni. I know that since we've closed, I have so many people saying, "What happened? When are you coming back? I know that the City misses us and we miss the city and we would love to just come back and get to work.

Ian Lewis, Hotel and Restaurant Workers Local 2 - I want to say a few words about the Kenwood side of this partnership. It's been City policy and Port policy for I think 18 years now, thanks in very large part to then Supervisor Katz that workers in the hospitality industry on Port and City land have an opportunity to organize and gain a voice on the job and at the same time spare the City the risk of labor disputes that sometimes accompany organizing struggles. That's the baseline expectation for hospitality industry developers on Port land. Kenwood and their Teatro partners went far above and beyond that expectation. They reached out to us very early on in this process and leveraged this great opportunity on this prime piece of property to make a commitment that goes not just to hotel workers on this property but hotels that they develop nationwide in an unprecedented agreement in our industry. It just goes to show the integrity and the foresight and the commitment to our community that this partnership and Kenwood in particular brings. So this project comes with our union's full endorsement.

Carol Peterson, aka Carol Peters and the Retrofits - I'm a jazz singer here in town. I was very sad when Teatro lost their lease. The other comparable entertainment in town is Beach Blanket Babylon. Over 41 years, 6 million people have visited that show. Now I feel like Teatro can bring in this force for tourism as well.

The difference between Teatro and Babylon is the number of employees that Teatro has as was just mentioned before with the wait staff and everything like that and employs a lot of people. It also hires a lot of musicians and as you know, it's getting more and more difficult in the city to find live entertainment. For this we're very fortunate. I'll leave you with a quote from my good friend Sandra Reeves-Phillips from New York. "Performing as Madame ZinZanni for two tours and living in San Francisco for six months was one of the greatest experiences of my career. Even though I have performed all over the world on stage, in film and even for Pope John in Italy, this opportunity gave me the chance to be a kid again. The management and the crew were incredible to work with and the people I met in San Francisco

have remained lifelong friends. Thank you Teatro ZinZanni and San Francisco for giving me this opportunity. As they say, I left my heart in San Francisco."

Frederick Allardyce - I'm representing this afternoon a group of residents and property owners known as Recreation and Open Space for the Waterfront. Our past history working with this site goes back 35 years on this site to find out what's going on. That includes working with Aaron Peskin and Pier 27 when it was going to be a shopping center that Mayor Brown proposed which was initially going to be a recreational facility from New York that 90% of the public wanted, but over four years, there was a battle for what happened to that.

Subsequent to that, there was a battle for changing the height of this parcel from 40 feet which was zoned this way initially to 80 feet by a developer that wanted to put a hotel on that site. That involved five different meetings by the Port and over 300 people turning out to those meetings saying, "No, we do not want 85 foot building on that site." Aaron Peskin as our President of the Board of Supervisors at that time got up and said, "I'm introducing legislation to stop that, to make it 40 feet tall."

In addition to that, the same group in supporting that effort also works vigorously with Aaron and Art Agnos to stop 8 Washington Street, the project right across the street that received 67% of the registered voters in San Francisco to stop that project. Now this particular site is very unique. In fact, there have been several studies about its values by other developers that were interested in this site and have been for a long time.

One site that was projected to have the highest revenue income in the city was the corner of Broadway and Van Ness Avenue which is the highest traffic count with the highest value of drivers that came to that site. This site turned out to be number two in that same study 12 years ago as being the most valuable site of real estate in the City of San Francisco by the number of people that came and the value of their eyeballs if you will come by that intersection.

I'm talking about representing over 400 property owners and condominium owners in the neighborhood including Golden Gateway Commons, 733 Front, 101 Lombard, Telegraph Landing and Telegraph Hill of which I've represented those groups for decades. They're concerned about what happens with this site with Teatro ZinZanni.

Teatro ZinZanni came here with its first proposal without ever, having any knowledge whatsoever in the Northeast Waterfront Historic District and the requirements it had to meet the zoning and the requirements at that time. They admitted they had not gone out and done any studies about that when they made their first presentation. That stopped them for three years before. they've now gotten this gentleman who's a hotelier apparently to come in and go ahead.

We're concerned that they may not complement the Northeast Historic Waterfront Zoning Requirements. We want to make sure that's done. We have hired two attorneys that will pursue the environmental impact aspects of this and look forward to participating with you and its future use. Also this exclusive use right is silly.

Commissioner Woo Ho - We have been looking at this for a long time and as the gentleman recounted, there's been lots of different possibilities. Teatro ZinZanni is obviously, a treasured San Francisco institution as was mentioned by one of the speakers along with some other comparable, like Beach Blanket Babylon. We are looking forward to having the opportunity to bring them back.

Obviously, we are not here to talk about the specific terms etc. but we have agreed that this site seems feasible for them. I am in support of moving forward and look forward to hearing, as we go through the ENA, more details on how it is. Obviously we want to respect that it is going to complement the neighborhood. Our processes here allow for everybody to speak up and give us input, but I do think that this has been through a lot of review.

I know that since the first time Teatro did present that there has been a lot more community outreach which is appropriate and which we continue to encourage them to do going forward. I'm in support of moving forward with the ENA.

Commissioner Adams - I also appreciate whenever we have a subject that there's always for and against and that's how things should be done. That's democracy. That's good but I also rise in support of this. This would be a good fit. Just recently I was up in Seattle and I ran up to a ZinZanni or something like that up in Seattle and I was surprised. I was just kind of walking down the street. I don't know if it has something to do with the one here, but I did see one up in Seattle a couple weeks ago when I was up there walking around.

I also think it's a good fit. I think it's been well thought out. It seems to have been a treasure in San Francisco. I've only been living here since 2003 and if we're going by the proper steps and doing everything right, I think this will continue to be a treasure here in San Francisco and it has my support.

Commissioner Katz - I'll also concur as somebody who enjoyed Teatro ZinZanni when it was here. I know somebody earlier mentioned a lot of tourists going through but I think also a lot of locals attended as well. This project really looks to embody many of the values and ideals of San Francisco, in other words, support for the Arts but also support for workers as well. It's nice to see the two married here in this project and people coming and speaking so highly about both sides of the equation and coming together on this project.

I'm very excited to see it go forward and thank our staff for working on this to bring the resolution forward so we can continue these discussion.

Commissioner Adams - Ricky, maybe you can answer this or Director Moyer. Is this normal, this one year initial term plus extension, four six-month extension, \$100,000? Can you explain, is that normal?

Ricky Tijani - It fits within the normal. Because standard usually would be for 24 months of negotiation period or the initial period that's for two six-month extension for a total of three years. In this case they want to move very quickly for obvious reasons and they want to do it in 12 months. However, knowing the normal range, they then said, "Well, give us some wiggle room to be able to extend it." So they are still looking at two and a half years compared to three years. So it's within the normal range.

ACTION: Commissioner Woo Ho moved approval; Commissioner Adams seconded the motion. All of the Commissioners were in favor. Resolution No. 15-31 was approved.

15. NEW BUSINESS

Monique Moyer - Just to reiterate your earlier comment, President Katz, to report back on the Port's preparations for the El Niño's events in coordination with the City. I didn't gather anything else.

Commissioner Woo Ho - I would like to ask at some point, will we be able to have an update on the building behind the Ferry Building?

Monique Moyer - Yes, that has already been asked and is pending on our work plan to come back to you but I will reiterate it again.

16. ADJOURNMENT

ACTION: Commissioner Woo Ho moved approval to adjourn open session and reconvene in closed session; Commissioner Adams seconded the motion. All of the Commissioners were in favor.

At 5:35 p.m., the Commission reconvened in closed session.

At 6:25 p.m., the Commission reconvened in open session.

ACTION: Commissioner Adams moved approval to adjourn closed session and reconvene in open session; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Adams moved approval to not disclose any information discussed in closed session; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor.

At 6:26 p.m., Port Commission President Leslie Katz adjourned the meeting in memory of Evan Rose.

SAN FRANCISCO PORT COMMISSION

Leslie Katz, President
Willie Adams, Vice President
Kimberly Brandon, Commissioner
Doreen Woo Ho, Commissioner

Monique Moyer, Executive Director Amy Quesada, Commission Secretary
Phone: 415-274-0400; Fax 415-274-0412 Phone: 415-274-0406; Fax 415-274-0412

AGENDA

TUESDAY, SEPTEMBER 22, 2015

2:00 P.M. CLOSED SESSION

3:15 P.M. OPEN SESSION

PORT COMMISSION HEARING ROOM, SECOND FLOOR
FERRY BUILDING, SAN FRANCISCO CA 94111

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1. CALL TO ORDER / ROLL CALL
2. APPROVAL OF MINUTES – September 8, 2015
3. PUBLIC COMMENT ON EXECUTIVE SESSION
4. EXECUTIVE SESSION

A. Vote on whether to hold closed session.

- (1) CONFERENCE WITH LEGAL COUNSEL AND REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. *This session is closed to any non-City/Port representative: (Discussion Items)
 - a. Property: Piers 31–33, located at Francisco and Bay Streets and The Embarcadero
Person Negotiating: Port: John Doll, Project Manager, Planning and Development

*Negotiating Parties: National Park Service: Christine Lehnertz,
Superintendent, Golden Gate National Recreation Area

Under Negotiations: ___Price ___ Terms of Payment X Both
The Port and National Park Service are negotiating business terms for use of portions of Piers 31–33 as a long-term ferry embarkation site for passenger service to Alcatraz Island. In this executive session, the Port's negotiator seeks direction from the Port Commission on factors affecting the price and terms of payment, including price structure, financing mechanisms and other factors affecting the form, manner and timing of payment of the consideration for the property interests. The executive session discussions will enhance the capacity of the Port Commission during its public deliberations and actions to set the price and payment term that are most likely to maximize the benefits to the Port, the City and the People of the State of California.

- b. Property: Pier 38, located at Delancey Street and The Embarcadero
Person Negotiating: Port: Elaine Forbes, Deputy Director, Finance and Administration
*Negotiating Parties: TMG Pier 38 Partners, LLC: Michael Covarrubias

Under Negotiations: ___Price ___ Terms of Payment X Both
The Port and TMG Pier 38 Partners, LLC ("TMG") are negotiating a lease for the Pier 38 Bulkhead Building Rehabilitation Project. In this executive session, the Port's negotiator seeks direction from the Port Commission on factors affecting the price and terms of payment, including price structure, financing mechanisms and other factors affecting the form, manner and timing of payment of the consideration for the property interests. The executive session discussions will enhance the capacity of the Port Commission during its public deliberations and actions to set the price and payment terms that are most likely to maximize the benefits to the Port, the City and the People of the State of California.

5. RECONVENE IN OPEN SESSION

- A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.
- B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

6. PLEDGE OF ALLEGIANCE

7. ANNOUNCEMENTS

- A. Announcement of Prohibition of Sound Producing Electronic Devices during the Meeting: Please be advised that the ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing of or use of a cell phone, pager, or other similar sound-producing electronic device.
- B. Announcement of Time Allotment for Public Comments: Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

8. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during Public Comment Period. A member of the public has up to three minutes to make pertinent public comments. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406. No Commission action can be taken on any matter raised during the public comment period for items not listed on the agenda other than to schedule the matter for a future agenda, refer the matter to staff for investigation or respond briefly to statements made or questions posed by members of the public. (Government Code Section 54954.2(a))

9. EXECUTIVE

- A. Executive Director's Report
 - Port of San Francisco - Port of the Year Finalist at the Seatrade Cruise Awards in Hamburg, Germany on September 9, 2015
 - Foreign Trade Zones Informational Forum – September 15, 2015 from 9 a.m. to 1 p.m. at the Oakland City Hall City Council Chambers
 - James R. Herman Cruise Terminal – Awarded Outstanding Airports & Ports Project by San Francisco American Society of Civil Engineers on September 17, 2015 at City Club of San Francisco
 - San Francisco Bay Conservation and Development Commission 50th Anniversary – September 17, 1965 – September 17, 2015
 - In Memoriam – Alvin B. Petrie, Retired Port Head Dredge Leverman
 - In Memoriam – Zeke Grader, Executive Director of the Pacific Coast Federation of Fishermen's Associations
- B. Annual presentation by the City Planning Department Director regarding interagency coordination with the Port of San Francisco for waterfront planning and urban design.

- C. Port Commissioners' Report: Without discussion, at this time Commissioners may make announcements regarding various matters of interest to the Commissioner(s).

10. FINANCE AND ADMINISTRATION

- A. Informational presentation on the Port's Report on Contracting Activity for Fiscal Year 2014-15 (July 1, 2014 through June 30, 2015).

11. MARITIME

- A. Informational presentation on Revised Rules and Regulations, Harbor Berthing License Agreements, Fee Schedule and other Administrative Documents for South Beach Harbor.

12. REAL ESTATE

- A. Request authorization to commence negotiation with ProVen Management and DeSilva Gates Construction Company, or in the alternative, with their newly-formed joint venture NewCo, for the terms of an Exclusive Negotiations Agreement for the lease of SWL 352 for asphalt operations. (Resolution No. 15-32)

13. ENGINEERING

- A. Request authorization to advertise for competitive bids for Construction Contract No. 2776, Five Year Maintenance Dredging Project. (Resolution No. 15-33)

14. PLANNING & DEVELOPMENT

- A. Request approval of a resolution endorsing a Request for Proposals by the San Francisco Mayor's Office of Housing and Community Development to solicit a developer for the development of affordable housing on Seawall Lot 322-1, located at Broadway and Front Streets. (Resolution No. 15-34)
- B. Informational presentation on the Public Participation and Process for the Waterfront Land Use Plan Update.

15. NEW BUSINESS

16. ADJOURNMENT

Adjourn the meeting in memory of Alvin B. Petrie, Retired Port Head Dredge Leverman and Pacific Coast Federation of Fishermen's Associations Executive Director Zeke Grader.

FORWARD CALENDAR
(TARGETED COMMISSION MEETING, SUBJECT TO CHANGE)

OCTOBER 13, 2015

	FACILITY/POLICY	ITEM	TITLE
1	Portwide	Informational	Presentation by Bevan Dufty, Director of the Mayor's Office of HOPE (Housing Opportunity, Partnerships & Engagement) on the City's homelessness issues
2	Portwide	Informational	Presentation on the Port of San Francisco's Foreign Trade Zone No. 3 and overview of the U.S. Department of Commerce's Foreign-Trade Zones Program
3	Portwide	Informational	Presentation on the Seawall/Earthquake Vulnerability Study Update
4		Informational	Presentation on the results of the Request for Proposals for a three year lease with two one-year options to renew for three surface parking lots at: (i) Seawall Lot 321, bounded by the Embarcadero, Front Street and Green Street; (ii) Seawall Lot 322-1 bounded by Broadway Street, Front Street and Vallejo Street; and (iii) Seawall Lot 323/324 bounded by the Embarcadero, Broadway Street and Davis Street; (iv) interim parking in Pier 19½; (v) interim parking in Pier 29½; and (vi) interim parking in Pier 33
5	Pier 31½	Informational	Presentation regarding business terms with the National Park Service for a long-term Pier 31½ ferry embarkation site to Alcatraz Island
6	Bayview Gateway	Action	Approval to select an artist as recommended by the San Francisco Arts Commission through the Art Enrichment program and approve Memorandum of Understanding between the Port and San Francisco Arts Commission for the use of Port property for the Bayview Gateway Art installation
7	Portwide	Action	Approval of Port projects funded in the amount of \$8.7 million in the fourth and final sale of 2008 Clean and Safe Neighborhood Parks General Obligation Bond
8	Portwide	Action	Approval of Revised Rules and Regulations, Harbor Berthing License Agreements, Fee Schedule and other Administrative Documents for South Beach Harbor
9	Portwide	Action	Approval for Port Executive Director to represent the Port of San Francisco as a Voting Delegate at the American Association of Port Authorities Annual Convention in Miami, Florida

OCTOBER 27, 2015

	FACILITY/POLICY	ITEM	TITLE
1	Portwide	Informational	Presentation by San Francisco Municipal Transportation Commission on the Waterfront Transportation Assessment
2	Portwide	Informational	Presentation on the City public restroom contract and renewal
3	Pier 31½	Action	Approval of business terms leading to a Memorandum of Understanding with the National Park Service for a long-term Pier 31½ ferry embarkation site to Alcatraz Island

NOVEMBER 10, 2015

	FACILITY/POLICY	ITEM	TITLE
1	Portwide	Informational	Presentation on the Bay Area bike share program
2	Pier 29	Informational and Action	Presentation and approval to issue Request for Proposals (RFP) for a Retail Leasing Opportunity at the Pier 29 Bulkhead Building, located at Chestnut Street and The Embarcadero
3	Seawall Lots 321, 322-1, 323/324, and Piers 19½, 29½, and 33	Action	Authorization to negotiate lease for a three year lease with two one-year options to renew for three surface parking lots at: (i) Seawall Lot 321, bounded by the Embarcadero, Front Street and Green Street; (ii) Seawall Lot 322-1 bounded by Broadway Street, Front Street and Vallejo Street; and (iii) Seawall Lot 323/324 bounded by the Embarcadero, Broadway Street and Davis Street; (iv) interim parking in Pier 19½; (v) interim parking in Pier 29½; and (vi) interim parking in Pier 33

DECEMBER 8, 2015

	FACILITY/POLICY	ITEM	TITLE
1	Portwide	Action	Approval of the Operations Agreement with Chevron U.S.A. Inc. ("Chevron") granting Chevron renewed authority to operate its refinery site in Richmond, California, as a Foreign Trade Zone No. 3 subzone site for a term of five years, with three options to extend for five years each and outlining conditions for the operation of the subzone site
2	Seawall Lots 321, 322-1, 323/324, and Piers 19½, 29½ and 33	Action	Approval of lease for a three-year lease with two one-year options to renew for three surface parking lots at: (i) Seawall Lot 321, bounded by the Embarcadero, Front Street and Green Street; (ii) Seawall Lot 322-1 bounded by Broadway

			Street, Front Street and Vallejo Street; and (iii) Seawall Lot 323/324 bounded by the Embarcadero, Broadway Street and Davis Street; (iv) interim parking in Pier 19½; (v) interim parking in Pier 29½; and (vi) interim parking in Pier 33
3	Portwide	Action	Approval of the City public restroom contract and renewal

DATE TO BE DETERMINED

	FACILITY/POLICY	ITEM	TITLE
1	Pier 70	Action	Authorization to advertise for competitive bids for Construction, Crane Cove Park Project Phase 1
2	Pier 94 and 96	Action	Authorization to advertise for competitive bids for Construction, Pier 94-96 Storm Drain and Outfall repairs
3	Loading Dock near Tulare Street	Action	Authorization to advertise for competitive bids for Construction, Copra Crane Refurbishment
4	3rd Street & Cargo Way Triangle and Cargo Way	Action	Authorization to advertise for competitive bids for Construction, Quint Street Lead Improvement Project
5	Pier 35	Action	Authorization to advertise for competitive bids for Construction, Pier 35 Substructure Repairs
6	SWL 322-I	Action	Authorize Mayor's Office of Housing and Community Development to issue an RFP for a development of SWL 322-I
7	Pier 80	Action	Approval of Marine Terminal Agreement at Pier 80

PORT COMMUNICATIONS

September 3-18, 2015

- From Trish Herman, President of North Beach Neighbors, support for Teatro ZinZanni & Kenwood Investments ENA
- From Malcolm Yeung, Deputy Director of Chinatown Community Development Center, support for Teatro ZinZanni & Kenwood Investments ENA
- From Stephanie Greenburt, President of SoTel Neighbors, support for Teatro ZinZanni & Kenwood Investments ENA
- From Port Staff, Revised Maritime Industry Preservation Policy

OCTOBER / NOVEMBER 2015
CALENDAR OF UPCOMING PORT MEETINGS – OPEN TO THE PUBLIC

DATE	TIME	GROUP	LOCATION
Oct. 13	2:00 PM Closed Session 3:15 PM Open Session	Port Commission	Port Commission Hearing Room/Ferry Bldg
Oct. 27	2:00 PM Closed Session 3:15 PM Open Session	Port Commission	Port Commission Hearing Room/Ferry Bldg
Nov. 10	2:00 PM Closed Session 3:15 PM Open Session	Port Commission	Port Commission Hearing Room/Ferry Bldg

NOTES:

The San Francisco Port Commission meets regularly on the second and fourth Tuesday of the month at 3:15 p.m., unless otherwise noticed. The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com. Contact Amy Quesada at 274-0406 or amy.quesada@sfport.com

Full Commission meetings are replayed on San Francisco cable via SFGovTV2 and streamed on the Internet. Broadband service is recommended for access. The Port Commission is generally broadcast on SFGovTV2, cable channel 78 on the 2nd & 4th Thursday of the month at 9 p.m. SFGovTV archives include a recording of each meeting, an agenda with links to the specific portion of the meeting, a file containing all closed captions for the deaf from the meeting and an MP3 recording of the meeting. The Port Commission meetings can be viewed online at http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=92

The Fisherman's Wharf Waterfront Advisory Group (FWWAG) meets regularly on a bi-monthly basis, on the third Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Rip Malloy @ 274-0267 or rip.malloy@sfport.com

The Maritime Commerce Advisory Committee (MCAC) meets every other month, on the third Thursday of the month, from 11:30 a.m. to 1:00 p.m. @ Pier 1. Contact Jim Maloney @ 274-0519 or jim.maloney@sfport.com

The Mission Bay Citizens Advisory Committee meets on the second Thursday of the month at 5:00 p.m. in the Creek Room at Mission Creek Senior Building located at 225 Berry Street in San Francisco (along the Promenade just beyond the library.) Contact Hilde Myall @ 749-2468 or hilde.myall@sfgov.org. For matters related to the proposed Golden State Warriors Event Center, the main contact is Adam Van de Water at MOED Adam.VandeWater@sfgov.org

The Northeast Waterfront Advisory Group (NEWAG) meets regularly on a bi-monthly basis on the first Wednesday of the month from 5:00 p.m. to 7:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Diane Oshima @ 274-0545 or diane.oshima@sfport.com

The Central Waterfront Advisory Group (CWAG) meets monthly on an as-needed basis, generally on the third Wednesday of the month from 5 to 7 p.m. in the Bayside Conference Room at Pier 1. Contact Mark Paetz @ 705-8674 or mark.paetz@sfport.com

The Southern Waterfront Advisory Committee (SWAC) meets at the last Wednesday of the month as needed from 6:00 to 8:00 p.m. Location to be determined. Contact Kanya Dorland @ 274-0264 or kanya.dorland@sfport.com and/or David Beaupre @ 274-0539 or david.beaupre@sfport.com

The Waterfront Design Advisory Committee (WDAC) meets jointly with the Design Review Board of the Bay Conservation and Development Commission on the first Monday of the month at BCDC, 50 California Street, Rm. 2600, at 6:30 p.m. The Committee meets as needed on the fourth Monday of the month at 6:30 p.m. in the Bayside Conf. Rm. @ Pier 1. Contact Dan Hodapp @ 274-0625 or dan.hodapp@sfport.com

ACCESSIBLE MEETING INFORMATION POLICY

FERRY BUILDING:

The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142. The nearest accessible parking is provided in the following off-street pay lots: 3 spaces in the surface lot on the west side of the Embarcadero at Washington Street.

Hourly and valet parking is available in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck, adjacent to the ferry boat Santa Rosa. Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington, Folsom & Drumm Streets.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Disability Accommodations:

To request assistive listening devices, sign language interpreters, readers, large print agendas or other accommodations, please contact Wendy Proctor, Port's ADA Coordinator at (415) 274-0592 or via email at wendy.proctor@sfport.com or Amy Quesada, Commission Secretary, at (415) 274-0405 or via email at amy.quesada@sfport.com at least 72 hours in advance of the hearing. The Port's TTY number is (415) 274-0587.

Language Assistance

311 Free language assistance / 免費語言協助 / Ayuda gratuita con el idioma / Бесплатная помощь переводчиков / Trợ giúp Thông dịch Miễn phí / Assistance linguistique gratuité / 無料の言語支援 / 무료 언어 지원 / *ᄒᆞᆫ ᄇᆞᆫ ᄇᆞᆫ ᄇᆞᆫ* / Libreng tulong para sa wikang Tagalog

NOTICES

Know Your Rights Under the Sunshine Ordinance:

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Sections 67.1 et seq. of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Chris Rustom by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at (415) 554-7724; by fax at (415) 554-7854 or by email at soff@sfgov.org. Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Mr. Rustom or by printing Sections 67.1 et seq. of the San Francisco Administrative Code on the Internet, at <http://www.sfgov.org/sunshine>.

Prohibition of Ringing of Sound Producing Devices:

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

Lobbyist Registration and Reporting Requirements:

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code Sections §2.100 – 2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

CEQA Appeal Rights under Chapter 31 of the San Francisco Administrative Code:

If the Commission approves an action identified by an exemption or negative declaration as the Approval Action (as defined in S.F. Administrative Code Chapter 31, as amended, Board of Supervisors Ordinance Number 161-13), then the CEQA decision prepared in support of that Approval Action is thereafter subject to appeal within the time frame specified in S.F. Administrative Code Section 31.16. Typically, an appeal must be filed within 30 calendar days of the Approval Action. For information on filing an appeal under Chapter 31, contact the Clerk of the Board of Supervisors at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102, or call (415) 554-5184. If the Department's Environmental Review Officer has deemed a project to be exempt from further environmental review, an exemption determination has been prepared and can be obtained on-line at <http://sf-planning.org/index.aspx?page=3447>. Under CEQA, in a later court challenge, a litigant may be limited to raising only those issues previously raised at a hearing on the project or in written correspondence delivered to the Board of Supervisors, Planning Commission, Planning Department or other City board, commission or department at, or prior to, such hearing, or as part of the appeal hearing process on the CEQA decision.



MEMORANDUM

September 17, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Doreen Woo Ho

FROM: Monique Moyer
Executive Director

SUBJECT: Informational Item - The Port's Report on Contracting Activity for Fiscal Year 2014-15 (July 1, 2014 through June 30, 2015)

I. EXECUTIVE SUMMARY

Port staff provides two reports per year regarding the Port's contracting activity. On April 14, 2015, staff provided an update to the Port Commission regarding contracting activity for the first half of Fiscal Year (FY) 2014-15 (July 1, 2014 through January 31, 2014). This report provides an update on contracting activity for the entire fiscal year (July 1, 2014 through June 30, 2015), including professional services, construction and as-needed contracts, and provides an update on recent legislative activity at the City level.

A. **Total Value of New Contracts: \$9.6 million (14 contracts).** During FY 2014-15, the Port issued 14 new contracts including four construction, eight professional services, and two as-needed contracts with a cumulative value of \$9.6 million. Nine out of the fourteen (64%) contracts were awarded to Local Business Enterprises ("LBE"). With an aggregate value of \$6.6 million (69%) awarded to LBE prime and subcontractors, Port staff exceeded the Port Commission's informal policy to award a minimum of 20% of contract dollars to LBE firms. This strong result continues the Port's positive trend of awarding a large percentage of contract dollars to small local businesses.

Eight of the 14 awards were to "formal" contracts governed by Administrative Code Section 14B ("LBE Ordinance"), which include LBE subcontracting goals and local business bid preferences. One contract was exempt from the LBE Ordinance due to federal funding requirements and four contracts were awarded under the Executive Director's delegated authority because they fell under the LBE Ordinance contract

THIS PRINT COVERS CALENDAR ITEM NO. 10A

threshold. Eight of the nine (89%) LBE Ordinance governed contracts were awarded directly to LBE firms.

- B. **Total Payments to Active and Open Port Contracts: \$12.26 million, including \$5.72 million (47%) to LBE primes and subcontractors.** During FY 2014-15, Port contract payments totaled \$12.26 million. Of that amount, \$5.72 million (47%) was paid to LBEs, including \$2.28 million (18%) to LBE subcontractors and \$3.54 million (29%) to LBE primes.
- C. **All of the Port's projects subject to the Local Hire Ordinance are meeting or have met the requirements of providing work hours to San Francisco residents, including disadvantaged workers, and are providing apprentice opportunities.**

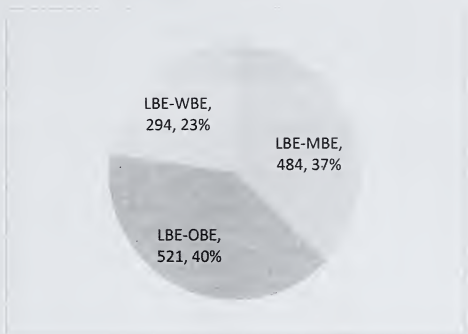
II. BACKGROUND

The Port engages in a variety of contractual transactions that include: leases, developer agreements, construction contracts, general services contracts, and professional services contracts. This report specifically addresses the Port's use of professional services and construction contracts.

The Port must comply with federal, state, and local laws concerning nondiscrimination in contracting. Construction contracts, general services contracts, and professional services contracts are subject to the San Francisco Administrative Code Chapter 14B LBE subcontracting participation requirements. The LBE program applies only to City and County of San Francisco ("City") contracts which include Port contracts.

The LBE program was established to expand City contracting opportunities for small San Francisco based firms, which are defined based on gross receipts by type of industry. Adherence to Administrative Code Chapter 14B is overseen by the Contract Monitoring Division (CMD), a division of the City Administrator's office. CMD accepts and reviews applications and certifies qualifying local firms as LBEs. Once a business is certified as a LBE, it is also classified as a Minority Owned Enterprise ("LBE-MBE"), Woman Owned Enterprise ("LBE-WBE"), Other Business Enterprise ("LBE-OBE") or Non-Profit Enterprise ("LBE-NPE"). CMD further classifies LBE-MBE firms by ethnicity to monitor and track which LBEs are awarded contracts. As summarized in Chart 1, there are currently 1,299 certified LBE firms.

Chart 1: Certified LBEs as of July 1, 2015, 1,299 Total



When participating as a prime contractor or as part of a Joint Venture, LBE firms receive bid discounts in the case of construction bids and bonuses in the case of professional service Requests for Proposals (RFP) and Requests for Qualifications (RFQ). For contract agreements that fall within Administrative Code Chapter 14B requirements, CMD also reviews the scope of the project and the nature of the work compared to available City-certified LBEs to set a required LBE subcontracting goal. CMD determines compliance with subcontracting goals at the time the contract is closed-out.¹

City contracts are exempt from the LBE program if 1) the contract value is less than an established threshold amounts of \$55,000 for professional contracts and \$300,000 for construction contracts through July 31, 2015, 2) Federal law, as in the case of grant funds, prohibits the use of local preference, or 3) if a waiver is obtained from CMD, such as in the case of an emergency or sole source contract.

In soliciting bids and/or responses to requests for proposals/qualifications, Port staff engages a representative from CMD. The CMD representative reviews all of the circumstances and independently assigns an LBE sub-contracting goal, or waiver thereof. Port staff then uses best efforts to adhere to the CMD goal. If Port staff is unable to adhere to the goal, Port staff refers the problem to the CMD representative for assistance and a solution.

¹ LBE subcontracting goals are calculated on the base contract amount. Following CMD policy, contract allowances, alternates or contingencies are not factored into calculating final LBE participation rates. CMD reviews on a case-by-case basis, contract amendments that result in a cumulative increase in the total contract amount of 20 percent or more. CMD may apply LBE subcontracting goals to these contract amendments based on a review of the additional work.

III. CONTRACT ACTIVITY UPDATE

During FY 2014-15, the Port awarded 14 new contracts totaling \$9.6 million. LBE prime contractors were awarded nine of the fourteen (64%) contracts. The Port paid contractors over \$12 million on active contracts during the reporting period with \$5.5 million (46%) going to LBEs.

A. New Contracts (\$9,608,981; 14 contracts): As summarized in *Table 1* and detailed in *Attachment 1*, in FY 2014-15, the Port issued four new construction, eight new professional service, and two as-needed contracts for a cumulative value of \$9.6 million. Of the 14 new contracts, eight were governed by the LBE Ordinance. LBE goals set for these projects ranged from 4% for a real estate consulting services contract to 25% for the Earthquake Vulnerability Study of the Northern Seawall. Additionally, bid discounts between 7.5%-10% were granted to LBE primes on all LBE governed contracts. LBE prime contractors won six of the eight (75%) contracts where bid discounts were applied. The Emergency Preparedness Training contract was exempt from the provisions of the LBE Ordinance because it is funded through a federal grant that does not allow for local contracting preferences. The Youth Employment Training program, Hotel Consulting Services, and the Branding Study contract were also exempt from the LBE Ordinance because of these contracts small sizes or CMD granted waivers.

Table 1: Contracts Awarded from July 1, 2014 – June 30, 2015

Type of Contract	Total Contract	Total Dollar Amount	LBE Award Amount (Prime & Subs)	Average LBE Goal	Actual LBE Amount Awarded
Construction	3	\$6,815,981	\$5,351,299	19%	79%
Professional Services	2	\$1,167,500	\$388,519	23%	33%
As-Needed	2	\$375,000	\$216,113	8%	58%
Total 14B Eligible Contracts	8	\$8,358,481	\$5,955,931		71%
Construction*	1	\$283,000	\$229,230	N/A	81%
Professional Services*	3	\$188,500	\$110,000	4%	58%
Professional Services^	3	\$779,000	\$297,600	N/A	38%
Total 14B Exempt Contracts	6	\$1,250,500	\$636,830		51%
Grand Total	14	\$9,608,981	\$6,592,761	N/A	69%

* Delegated Authority

^ LBE Goal Waived

1. Use of Delegated Authority (\$471,500; 4 contracts): Four contracts totaling \$471,500 were awarded in FY 2014-15 through the Executive Director's delegated authority. Three of these contracts, totaling \$393,000 (83%), were awarded to LBE firms.

On June 10, 2015, Lowercase Productions, a LBE-OBE firm, was awarded a \$15,000 contract to provide a branding study for communications staff. This contract was exempt from an LBE goal; however, Lowercase Productions will be self-performing all of the contract work, resulting in 100% of the work being performed by a certified LBE firm.

On June 12, 2015, Century Urban, a LBE-OBE, was awarded a \$95,000 contract to provide real estate market analysis and negotiation support related to the waterfront development at Pier 70. Century Urban will be self-performing approximately 96% of the contract and subcontracting 4% of the work resulting in 100% LBE utilization, including subcontractors.

On June 17, 2015, M&R Valuation Services, a non-LBE firm was awarded a \$78,500 contract to conduct a review of the proposed hotel development at Seawall Lots 323 and 324. CMD waived the contract LBE subcontracting goal as there are no LBEs certified to perform hotel consulting services.

On January 2, 2015, Hoi's Construction, a LBE-MBE firm, was awarded a micro-LBE set aside contract for the restoration of the Beltline Building restrooms at Pier 27. Hoi's Construction will be self-performing 76% of the contract work and subcontracting 5% to Yum's Mechanical, a LBE-MBE firm, resulting in 81% of the work being performed by certified LBE firms.

2. Port Commission Approved (\$9,137,481; 10 contracts). Ten contracts awarded in FY 2014-15 were approved by the Port Commission, and were issued through formal contracting guidelines under Administrative Code Chapters 6, 21, and 14B.

On July 8, 2014, the Bayview Gateway contract (\$3,667,925) was awarded with a 12% LBE subcontracting goal to Bauman Landscape, a CMD certified LBE-OBE firm. Bauman Landscape met the LBE subcontracting goal by subcontracting to Zaccor Companies, an LBE-OBE demolition contractor located at Pier 96. Bauman Landscape will be self-performing approximately 68% of the contract work resulting in nearly 80% of the work being performed by certified LBE firms, including subcontractors.

On July 8, 2014, two As-Need Hazardous Waste Disposal Services contracts (\$187,000 each) were awarded to Eagle Environmental Construction, a LBE-MBE certified firm, and Environmental Logistics, a non-LBE firm. The LBE subcontracting goal for these contracts is 8%. As detailed in *Table 2*, below, Eagle Environmental Construction listed LEEG & Company, a LBE-MBE trucking firm, and Environmental Innovations, a LBE-MBE hazardous waste remediation provider, as LBE subcontractors to exceed the 8% LBE goal. Eagle Environmental Construction will be self-performing approximately 50% of the contract work resulting in nearly 60% of the work being performed by LBE firms, including subcontractors. Environmental Logistics listed Eco Bay Services, a LBE-OBE, and MCD Trucking, a LBE-MBE, firm as subcontractors to complete approximately 11% of the contract work.

Table 2: Hazardous Waste Disposal Services Contracts

Type	Firm	Status	Contract Allocation		LBE Participation	
			Amount	Percent	Amount	Percent
Prime	Eagle Environmental	LBE-MBE	\$ 131,250	50%	\$ 131,250	50%
Subcontractor	PSC	Non-LBE	\$ 102,375	39%	NA	NA
Subcontractor	LEEG & Company	LBE-MBE	\$ 15,750	6%	\$ 15,750	6%
Subcontractor	Environmental Innovations	LBE-MBE	\$ 13,125	5%	\$ 13,125	5%
			\$ 262,500	100%	\$ 160,125	61%
Prime	Environmental Logistics	Non-LBE	\$ 233,625	89%	NA	NA
Subcontractor	Eco Bay Services	LBE-OBE	\$ 13,125	5%	\$ 13,125	5%
Subcontractor	MCD Trucking	LBE-MBE	\$ 15,750	6%	\$ 15,750	6%
			\$ 262,500	100%	\$ 28,875	11%

On August 12, 2014, the Pier 35 Roof Repair contract (\$1,998,556) was awarded with a 19% LBE subcontracting goal to Roebuck Construction, a CMD certified LBE-OBE firm. Roebuck Construction exceeded the 19% CMD LBE subcontracting goal by listing Pioneer Construction, a LBE-MBE general building contractor, and Eco Bay Services, a LBE-OBE general engineering contractor for 35% of the total contract value. Roebuck Construction will be self-performing approximately 38% of the contract work resulting in nearly 73% of the work being performed by LBE firms, including subcontractors.

On October 28, 2014, the Earthquake Vulnerability Study of the Northern Seawall contract (\$467,000) was awarded to GHD-GTC a joint venture with a 25% LBE subcontracting goal. GTC, the LBE-MBE joint venture partner, provides civil, geotechnical, and water resources engineering services. The GHD-GTC project team includes the following LBE certified firms as subconsultants: Land Economics Consultants, LLC (LBE-OBE); Ansari Structural Engineers (LBE-MBE); Saylor Consulting Group (LBE-WBE); Rollo & Ridley (LBE-OBE); and Telamon Engineering (LBE-WBE). GTC will be performing 28% of the contract work resulting in 53% of the work being performed by LBEs, including subcontractors.

On January 13, 2015, the Emergency Preparedness Training contract (\$249,000) was awarded to Tetra Tech, a non-LBE firm. CMD determined that the contract was exempt from the LBE Ordinance due to federal funding guidelines.

On March 24, 2015, the Financial Advisory Services contract (\$700,000) was awarded to Public Financial Management, a non-LBE firm. Public Financial Management exceeded the 20% LBE subcontracting goal by listing Backstrom, McCarley, Berry, and Co., LLC, a LBE-MBE firm, to perform 30% of the contract work.

On April 29, 2015, two Youth Employment Training Program contracts (\$320,000 and \$210,000) were awarded to San Francisco Conservation Corps (SFCC), a LBE-NPE firm, and Hunters Point Family (HPF), a non-LBE firm. CMD waived the contract's LBE subcontracting goal due to the project's single scope of work. However, SFCC will be performing 39% of the contract work and subcontracting 14% of the contract budget to the A. Philip Randolph Institute, a LBE-OBE firm, which will result in 53% of the work

being performed by LBEs, including subcontractors. Port staff is working to help HPF become LBE certified, which will increase the allocation of funding to LBE firms.

On April 29, 2015, the Pier 49 Wharf J1 Under-Pier Sewer Replacement project (\$1,149,500) was awarded to Schembri Construction, a LBE-OBE firm. Schembri Construction will self-perform 28% of the contract work and utilize Cal Pacific Plumbing, a LBE-MBE firm, to meet the 25% LBE subcontracting goal, resulting in 53% of the work being performed by LBEs, including subcontractors.

3. Summary of LBE Contract Participation in New Contract Awards. As discussed above, during FY 2014-15, the Port awarded four construction, eight professional service and two as-needed contracts for a cumulative value of \$9.6 million. Nine (64%) of the contracts with a total amount of \$6.6 million (69%), were awarded to LBEs. This includes over \$4.3 million (45%) that was awarded to LBE prime contractors and \$2.3 million (24%) awarded to LBE subcontractors.

B. Actual Contract Payments: As shown in Table 3 below, during FY 2014-15, Port contract payments totaled \$12.26 million. Of all payments, \$5.72 million (47%) was paid to LBE firms, including \$3.54 million to primes and \$2.28 million to subcontractors. During this reporting period the Port exceeded average CMD goals in all three contracting categories: construction, as-needed and professional service contracts.

Table 3: Contract Payments and LBE Participation from July 1, 2014 – June 30, 2015

Contract Type	Total Payments	Local Business Enterprise					
		Prime Payments	Sub Payments	Total LBE Payments	Overall %	Sub %	Avg. Goal %*
As-Needed	\$1,960,600	\$320,557	\$636,738	\$957,295	49%	32%	22%
Construction	\$8,546,432	\$3,032,714	\$1,316,088	\$4,348,802	51%	15%	10%
Professional Services	\$1,751,143	\$190,378	\$222,618	\$412,996	24%	13%	12%
Total	\$12,258,175	\$3,543,649	\$2,175,444	\$5,719,093	47%	18%	14%

*CMD Subcontracting Goal

1. As-Needed Contracts. The Port currently manages 13 open and active as-needed contracts that received \$2.0 million in payments in FY 2014-15. As detailed in Attachment 2, LBE contractors received 49% of all as-needed contract payments in FY 2014-15, representing \$1.0 million in payments. The engineering (56% LBE contractor payments) related work performed well while real estate economics consulting (36%) and environmental (39%) maintained strong LBE contracting percentages.

- **Engineering** – Three of the four engineering contracts maintained subcontracting percentages at or above the average CMD LBE subcontracting requirements. One firm, PB-Structus Inc., fell below the 21% goal, with 0% in LBE subcontracting payments; however, the contractor has completed 13% in LBE subcontracting payments over the life of the contract. Port staff is identifying ways to help the firm set aside more work for its LBE subcontractors.

- *Environmental Services* – Of the three environmental services contracts, one is exceeding the 22% LBE goal, with 26% LBE utilization. The two remaining contracts are just below the CMD LBE subcontracting requirements; however, these contracts are very new and there is sufficient opportunity for the contractors to meet the LBE goal.
- *Real Estate* – On average, the four real estate contracts fell three percent below the CMD set goal during the reporting period. However, the overall subcontracting percentage is above the CMD set goal and Port staff expect the contracts to close above the CMD requirement.
- *Hazardous Waste Disposal* – There have been no payments on the two newly awarded As-Needed Hazardous Waste Disposal contracts.

2. *Construction Contracts*. The Port currently manages six open and active construction projects that received \$8.5 million in payments in FY 2014-15. As detailed in *Attachment 3*, LBE contractors received 51% of construction contract payments in FY 2014-15, representing \$4.3 million in payments. LBE subcontractors received \$1.3 million dollars or 15% of payments made to construction contracts. LBE utilization during the review period was higher than the average LBE subcontracting goal (10%) set at the time of contract award. Port and CMD staffs monitor payments to LBEs to ensure that Port contractors honor their contract commitments. As previously noted CMD measures LBE contracting compliance by the full amount of the contract, not on individual payments. As the contracts proceed the ratios of payments will likely adjust to the CMD set LBE goal.

- *Pier 35 Roof Repair* – The Pier 35 Roof Repair contract is 90% complete. Roebuck Construction has attained 43% LBE subcontracting utilization to date, far exceeding the 19% goal set by CMD.
- *Bayview Gateway* – The Bayview Gateway contract is 90% complete. Bauman Landscape, the project's LBE-OBE prime contractor, has attained 16% LBE subcontracting utilization to date, exceeding the 12% goal set by CMD.
- *Blue Greenway Signage* – The Blue Greenway Signage contract is 100% complete. Cal State Constructors has attained 19% LBE subcontracting utilization to date, exceeding the 8% goal set by CMD.
- *Beltline Building Restroom* – The Pier 27 Beltline Building Restroom Renovation contract is a micro-LBE set aside. There are no LBE subcontracting goals on micro-LBE set aside contracts; however, prime contractors must self-perform at least 25% of the project work. To date the project is 90% complete and Hoi's Construction, a LBE-MBE firm, has performed 86% of the project work.
- *Pier 49 Wharf Under Sewer Restoration* – No payments were made during the reporting period on the newly awarded contract.

- *Maintenance Dredging* – While most construction contracts have exceeded their individual LBE goals, the Maintenance Dredging contract is short of its 3% percent LBE subcontracting goal. As reported in prior contracting reports, the 3% LBE subcontracting goal was based on the estimated need to transport contaminated dredge spoils for landfill disposal. However, little of the Port dredging work has required landfill disposal of dredged spoils. Based on the locations of the planned dredging work, the Port expects that dredge spoils will not need to be trucked and thus the contractor will not have the opportunity to meet the 3% goal over the life of the contract.

3. *Professional Services Contracts*. The Port currently manages 16 open and active construction projects that received \$1.8 million in total payments in FY 2014-15, including \$0.4 million (24%) to LBE firms. As detailed in *Attachment 4*, there are three active professional service contracts governed by the LBE Ordinance. In FY 2014-15, payments to LBE subcontractors on LBE Ordinance governed professional service contracts totaled \$305,993 (33%) out of \$940,031 in total contract payments.

- *Crane Cove Park Design* – The Crane Cove Park Design Project led by AECOM, a non-LBE firm, has a 19% LBE subcontracting goal. AECOM is currently exceeding its goal with 26% of all payments going to LBE subcontractors.
- *Earthquake Vulnerability Study* – The Earthquake Vulnerability Study of the Northern Waterfront managed by GHD-GTC, a LBE-MBE joint venture, has a 25% goal. The Earthquake Vulnerability Study is falling below the goal with 22% of all payments going to LBE subcontractors. However, Port staff expects the contractor, GHD/GTC JV, will exceed the LBE subcontracting goal as the project enters its second phase, which includes work tailored to LBE subcontractors.
- *Financial Advisors* – The Municipal Financial Advisory contract led by Public Financial Management, a non-LBE, has a 20% goal. No payments were made to the Financial Advisory Services contract before the end of FY 2014-15.

The Port has an additional 13 active professional service contracts that are exempt from the provisions of the LBE Ordinance due to their small contract size, funding source requirements, or LBE subcontracting waivers granted by CMD. While these contracts are exempt from the LBE Ordinance, the Port paid LBE contractors \$107,063 (13%) out of \$811,112 in payments made to these 13 contracts.

C. Closed Contracts: At the conclusion of a contract, CMD staff reviews payment information, as well as the contract exit report and affidavit (known as CMD Form 8). CMD staff then confirms the contractor's compliance and/or good faith efforts to meet the contract's LBE requirements to Port staff in writing. In FY 2014-15, two construction contracts were formally closed and one is pending final review by CMD.

First, the Fisherman's Wharf Triangle Parking Lot Pedestrian Improvement contract, awarded to JDB Construction as an LBE micro-set aside, was closed on July 3, 2014 with a final project amount of \$113,105.² The Pier 50 Covered Storage Shed contract, also awarded to JDB Construction as an LBE micro-set aside, was closed on July 16, 2014 with a final project amount of \$402,212. JDB Construction performed \$108,400 (96%) of the contract work on the Fisherman's Wharf Triangle Parking Lot Improvement contract and \$164,500 (41%) on the Pier 50 Covered Storage Shed contract. Therefore, CMD determined that the contractor complied with the LBE Ordinance micro set-aside requirements on both projects.

Finally, contract work on the Blue Greenway Signage project concluded during the reporting period. While the project has not been formally closed out by CMD, according to Port records, Cal State Constructors the LBE-OBE prime contractor has attained a 19% LBE subcontracting goal, far exceeding the 8% goal set by CMD.

D. Compliance with Local Hire Requirements: The San Francisco Local Hire Policy for Construction applies to construction projects advertised for bid after March 25, 2011 that pertain to public works or improvements that are city funded with an engineer's estimate above \$1,000,000. The Local Hire Ordinance (Section 6.22.G.4 of the San Francisco Administrative Code) requires contractors and their subcontractors to attain a minimum of 30% total work hours by trade per project using San Francisco residents.³ The Ordinance also requires that 30% of apprentice hours per trade be performed by disadvantaged San Francisco residents. The program is managed by the Office of Economic and Workforce Development (OEWD). The Port currently maintains three open construction contracts subject to the requirements of the Local Hire Ordinance. OEWD staff advises that all three projects are compliant, as summarized in *Table 4*.

² Micro-LBE certification is available to small LBE firms under economic threshold amounts defined in the LBE Ordinance. Prime contractors on micro-set aside contracts must self-perform at least 25% of the contract work.

³ Local Hire requirements increase from 20% to 25% on applicable contracts solicited after March 2012, and to 30% for contracts solicited after March 2013.

Table 4: Local Hire Projection, FY 2014-15

Project	TOTAL WORK HOURS			APPRENTICE HOURS		
	Total	Local Hire	Local Hire %	Total	Local Apprentice	Local Hire %
30% Requirement						
Bayview Gateway Park	13,334	4,996	37%	2,306	3,103	91%
Blue Greenway Signage *	1,289	239	19%	86	74	86%
Pier 35 Roof Repair	7,798	4,459	56%	2,118	1106	52%

**OWED granted a conditional waiver or exemption that permits contractor to perform below the Local Hire requirement.*

Since the inception of the ordinance, 14 Port projects have been subject to the ordinance's provisions. While all of the projects have performed well, in some instances Local Hire estimates have been below the requirements due to conditional waivers and exemptions that OEWD reviewed and approved. In those cases, the prime contractors for each of the projects have requested conditional waivers and exemptions, including exemptions for marine related pile driving and operating engineering work, which are specialized trades that are excluded from the City's Local Hire Policy. The Pier 49 Wharf J1 Under-Pier Sewer Replacement will be included in subsequent reports as no work hours were associated with the contract in FY 2014-15.

IV. LEGISLATIVE UPDATE

In FY 2014-15, the Board of Supervisors adopted legislation establishing significant reforms to the Local Business Enterprise and Non-Discrimination in Contracting Ordinance ("LBE Ordinance") and the Public Works Contracting Policies and Procedures Ordinance ("Chapter 6").

A. Local Business Enterprise Ordinance: The LBE Ordinance was designed to level the playing field for small local businesses by increasing their ability to compete effectively for the award of City contracts. Specifically, through the LBE Ordinance, the City provides bid discounts, set asides, information and training, and other assistance to small and micro local businesses.

Prior to 2006, the LBE Ordinance, known as the MBE/WBE Program, provided discounts to woman and minority owned companies. Since 2006 the program has been applied in a race and gender neutral manner to comply with State law. The program includes any local business that meets certain size thresholds. In 2012, Mayor Edwin Lee transferred the responsibility for this program from the Human Rights Commission to the City Administrator's Contract Monitoring Division.

Key reforms in the new LBE Ordinance include:

- Creating an aspirational Citywide goal for LBE utilization of 40 percent;
- Creating the "San Francisco First" program requiring City departments to make good faith efforts to first obtain three bids from local businesses for construction contracts under \$400,000 and professional service contracts under \$100,000 prior to opening the solicitation to non-LBEs;
- Adding a bid discount of 2 percent for LBEs on contracts between \$10-20 million (the LBE Ordinance previously provided bid discounts to contracts under \$10 million);
- Requiring LBE utilization plans and subcontracting goals for all development agreements⁵ adopted by the Board of Supervisors;
- Increasing certification thresholds for certain industries; and
- Creating a mentor-protégé program to foster partnerships between established prime contractors and LBEs.

The new LBE Ordinance took effect on July 1, 2015.

B. Public Works Contracting Policies and Procedures Ordinance: As detailed in the City and County of San Francisco Administrative Code, Chapter 6 governs "public work or improvement contracting policies and procedures, including the procurement of professional design, consulting and construction management services for public work projects." A public work or public work or improvement, as used in Chapter 6, is "any erection, construction, renovation, alteration, improvement, demolition, excavation, installation, or repair of any public building, structure, infrastructure, bridge, road, street, park, dam, tunnel, utility or similar public facility performed by or for the City and County of San Francisco."

In June of 2014, the San Francisco Public Works Department (DPW) along the Controller's Office convened a working group, which included Port staff, to identify sections of Chapter 6 that hindered City departments' ability to procure construction and construction related professional services. The working group recommended 46 legislative changes, all of which were adopted by the Board of Supervisors in June of 2015.

Key reforms in the new Chapter 6 Ordinance include:

⁵ Chapter 56 of the Administrative Code defines development agreements as (1) affordable housing developments or (2) large multi-phase and/or mixed-use developments involving public improvements, services, or facilities installations, requiring several years to complete, as defined below in Section 56.3, or a housing development with a minimum of 1,000 units, as defined below in Section 56.3; or (3) rental housing developments with on-site affordable units, as defined below in Section 56.3.

- Increasing the formal construction and emergency contract threshold amount to from \$400,000 to \$600,000;
- Extending the issuance of new contract service orders under as-needed contracts from three to four years;
- Allowing departments to procure public works contracts with no competitive solicitation if the work is estimated under \$10,000;
- Creating new contracting procedures to allow departments to procure furniture, fixtures, and equipment; and
- Creating a sole source provision in Chapter 6 that allows departments to procure sole source construction services.

The new Chapter 6 Ordinance took effect on August 1, 2015.

C. Impacts of Legislation on the Port: The amendments to the LBE Ordinance will have numerous impacts on Port contracting activity. The requirement to obtain bids from LBE firms prior to issuing RFPs will slow down the contracting process by one to two weeks. Port staff expects the increase in certification thresholds to expand the pool of certified LBE firms competing for City work. In August, City Administrator Naomi Kelly formally inaugurated the new mentor-protégé program at the Port's Pier 1. Port staff will work with CMD and the City Administrator's Office to promote the program in order to build the capacity of Port contractors.

The majority of Chapter 6 revisions will have a significant impact on departments with construction contract portfolios over \$1 billion, such as the Public Utilities Commission or Department of Public Works. However, the Port will experience changes related to the size of contracts permitted under the Executive Director's delegated authority. Port Commission action is not required because the current resolution is automatically adjusted to administrative code's threshold levels. Additionally, the changes to the ordinance will create efficiencies by allowing Port staff to issue larger informal and micro-LBE set aside contracts for minor construction work along the waterfront.

Port staff will continue to work with CMD, the City Administrator's Office, and contract awarding agencies to identify efficiencies in the City contracting processes to promote local business participation.

V. CONCLUSION

In FY 2014-15, the Port awarded fourteen new contracts totaling \$9.6 million of which \$6.6 million, or 69%, was awarded to LBEs. The Port made \$12.26 million in contract payments, of which \$5.72 million or 47% was paid to LBEs. Most contracts are meeting or exceeding their contractually obligated CMD goals based on overall contract spending to date.

In FY 2014-15, Port staff exceeded the Port Commission's informal policy requesting staff to direct 20% of contract payments and awards to LBEs.

Port staff will continue to work collaboratively with CMD, OEWD staff, and stakeholders to ensure continuing success in meeting Local Hire goals and maximizing economic opportunities for LBEs.

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Appendix A: General Contract Terms & Port Thresholds
Attachments:

Attachment 1: Contracts Awarded in Fiscal Year 2014-15
Attachment 2: As-Needed Contract Service Order (CSO) Payments
Attachment 3: Construction Contract Payments
Attachment 4: Professional Services Contract Payments

APPENDIX A

General Contract Terms and Port Thresholds

A. Use of Professional Services Contracts: Professional Services are those services which require the exercise of discretion and independent judgment in their performance, and/or the application of an advanced, specialized type of knowledge, expertise, or training. Examples of professional service providers include architects, engineers, and software developers. The City's Civil Service Commission must review all Professional Services contracts to determine whether City employees could perform the requested services and, if so, whether the Department can justifiably contract out the services. The Port contracts for professional services only when Port employees or other City employees cannot perform the work because of the limited nature of the work, peak workload obligations, lack of specific expertise, or other unusual circumstances such as mitigation of financial risk, funding or other legal requirements.

B. As-Needed Contracts: As-Needed contracts are Professional Services contracts which the Port uses for services that recur but are not consistent or predictable enough to justify full time staff. Currently the Port maintains as-needed services contracts for architecture and design services, economic analysis, environmental services, and hazardous materials disposal. Master Agreements for as-needed services are negotiated upon Contractor pre-qualification through formal, competitive RFQ processes. These agreements usually have a three-year term.

As-needed services are typically construction related professional services, such as engineering services. Following the requirements of Administrative Code Chapter 6.64, the Port tasks contractors with individual projects through the issuance of Contract Service Orders (CSO) that are not to exceed \$400,000 per public works project.⁴ Any CSOs exceeding \$400,000 per public works project require written justification by the department head to CMD establishing the urgency to perform the work under as-needed contracts rather than through a new formal competitive procurement. LBE subcontracting goals may apply to each Master Agreement or for each CSO. The Port's practice is to have an overall goal for the as-needed contracts and to manage individual CSOs to ensure overall compliance.

C. Delegated Authority: To streamline the Port's contract approval process and to be consistent with the San Francisco Administrative Code and the practice of other City departments, the Port Commission has delegated the following authority to the Executive Director (Resolution Nos. 09-29, 09-37 and 10-60):

- | | |
|-----------------------------------|-----------|
| • Contract Service Orders | \$500,000 |
| • Construction contracts | \$600,000 |
| • Professional services contracts | \$100,000 |

⁴ Chapter 6 of the Administrative Code governs construction and construction related services.

Delegated authority allows the Port's Executive Director to execute and award public works and improvement and professional services CSOs and contracts at or under the threshold limits without Port Commission review and approval.

Attachment 1: New Contracts Awarded FY 2014-15

Project title	Vendor Name	Delegated Authority	Contract Amount	LBE Subcontracting Goal %	LBE Prime Contracting Amount at Time of Award	Total LBE Sub Awarded
Construction						
Bayview Gateway	Bauman Landscape (LBE-OBE)		\$ 3,667,925	12%	\$ 2,082,450	\$ 455,400
Pier 35 Roof Repair	Roebuck Construction (LBE-OBE)		\$ 1,998,556	19%	\$ 997,077	\$ 666,320
Pier 49 Wharf J1 Under-Pier Sewer Replacement	Schembri Construction (LBE-OBE)		\$ 1,149,500	25%	\$ 399,500	\$ 750,000
Beltline Building Project	Hoi's Construction (LBE-MBE)	\$ 283,000	\$ 283,000	Micro	\$ 214,782	\$ 15,000
Total Construction		\$ 283,000	\$ 7,098,981		\$ 3,693,809	\$ 1,868,720
Professional Services						
Seawall Earthquake Study	GHD-GTC JV (JV-MBE)		\$ 467,500	25%	\$ 79,409	\$ 99,110
Municipal Financial Advisory Services	Public Financial Management (Non-LBE)		\$ 700,000	20%	\$ -	\$ 210,000
Youth Employment Program	San Francisco Conservation Corps (LBE-NPE)		\$ 320,000	0%	\$ 252,800	\$ 44,800
Youth Employment Program	Hunters Point Family (Non-LBE)		\$ 210,000	0%	\$ -	\$ -
Emergency Preparedness Training	Tetra Tech (Non-LBE)		\$ 249,000	0%	\$ -	\$ -
Branding Study	Lowercase Productions (LBE-OBE)	\$ 15,000	\$ 15,000	-	\$ 15,000	\$ -
Pier 70 Real Estate Consulting	Century Urban (LBE-OBE)	\$ 95,000	\$ 95,000	4%	\$ 91,200	\$ 3,800
Hotel Consulting Services	M&R Valuation Services (Non-LBE)	\$ 78,500	\$ 78,500	-	\$ -	\$ -
Total Professional Services		\$ 188,500	\$ 2,135,000		\$ 438,409	\$ 357,710
As Needed						
As Needed Hazardous Materials Disposal	Eagle Environmental (LBE-MBE)		\$ 187,500	8%	\$ 158,625	\$ 28,875
As Needed Hazardous Materials Disposal	Environmental Logistics (Non-LBE)		\$ 187,500	8%	\$ -	\$ 28,613
Total As Needed		\$ -	\$ 375,000		\$ 158,625	\$ 57,488
Total Contract		\$ 471,500	\$ 9,608,981		\$ 4,290,843	\$ 2,301,918

ATTACHMENT 2:
As-Needed Annual Contracts, FY 2014-15
(July 1, 2014 - June 30, 2015)

AS-NEEDED CONTRACTS											
As Needed Contracts (All 148 Contracts)	Project Title	Total Contract Amt.	LBE Goal %	LBE Goal Amount	Total Payments in FY	Total Non-LBE	Total FY 2014-15				
							LBE Prime Payments	LBE Sub Payments	Total LBE Payments	Overall LBE%	Sub LBE %
Real Estate											
	Bay Area Economics	\$500,000	22%	\$110,000	\$79,949	\$75,358	\$0	\$4,591	\$4,591	6%	6%
	Economic Planning Systems	\$750,000	22%	\$165,000	\$57,698	\$15,005	\$0	\$42,693	\$42,693	74%	74%
	Keystar Marion Assoc	\$500,000	22%	\$110,000	\$43,818	\$43,818	\$0	\$0	\$0	0%	0%
	Serie Consulting (LBE-WBE)	\$500,000	22%	\$110,000	\$61,061	\$20,148	\$40,912	\$0	\$40,912	67%	0%
	Subtotal Real Estate Services	\$2,250,000	22%	\$495,000	\$242,526	\$154,329	\$40,912	\$47,264	\$88,196	36%	19%
Engineering & Related											
	Creagan + D'Angelo/AGS (JV-MBE)	\$1,500,000	21%	\$315,000	\$353,975	\$85,358	\$3,175	\$265,441	\$268,616	76%	75%
	GrowthSIDE (JV-MBE)	\$1,500,000	21%	\$315,000	\$716,598	\$362,686	\$118,237	\$271,674	\$333,911	47%	30%
	PRI-Structus Inc. (JV-MBE)	\$1,500,000	21%	\$315,000	\$301,312	\$140,163	\$129,629	\$31,318	\$161,147	53%	10%
	Subtotal Engineering & Related	\$4,500,000	21%	\$945,000	\$1,371,885	\$608,207	\$251,241	\$512,433	\$763,674	56%	37%
Environmental & Related											
	Baseline	\$1,000,000	22%	\$220,000	\$162,254	\$122,873	\$0	\$39,500	\$39,500	24%	24%
	SCA Environmental (LBE-MBE)	\$1,000,000	22%	\$220,000	\$52,376	\$14,392	\$28,404	\$9,580	\$37,984	73%	18%
	Weiss Associates	\$1,000,000	22%	\$220,000	\$131,559	\$103,688	\$0	\$27,861	\$27,861	21%	21%
	Subtotal Environmental & Related	\$3,000,000	22%	\$660,000	\$346,189	\$240,763	\$28,404	\$77,021	\$105,425	39%	22%
Hazard Waste											
	Environmental Logistics	\$187,500	8%	\$15,000	\$0	\$0	\$0	\$0	\$0	0%	0%
	Eagle Environmental (LBE-MBE)	\$187,500	8%	\$15,000	\$0	\$0	\$0	\$0	\$0	0%	0%
	Subtotal Environmental & Related	\$375,000	8%	\$30,000	\$0	\$0	\$0	\$0	\$0	0%	0%
TOTAL As-Needed Contracts		\$9,750,000	22%	\$2,115,750	\$1,960,600	\$1,003,299	\$320,557	\$636,738	\$957,295	49%	32%

ATTACHMENT 3:
Construction Contracts, FY 2014-15
(July 1, 2014 - June 30, 2015)

CONSTRUCTION CONTRACTS

Construction Contracts	Project Title	Total Contract Amt.	LBE Goal %	LBE Goal Amount	Total Payments in FY	Total FY 2014-15				Overall LBE %	Sub LBE %
						Total Non-LBE	LBE Prime Payments	LBE Sub Payments	Total LBE Payments		
Redback Construction (LBE-OBIE)	Pier 35 Roof Repair	\$1,998,556	19%	\$379,726	\$1,844,806	\$266,514	\$700,776	\$787,615	\$1,578,291	86%	43%
Bauman Landscapes (LBE-OBIE)	Bayview Gateway	\$3,667,925	12%	\$440,151	\$3,006,973	\$515,765	\$2,000,990	\$450,118	\$2,491,108	83%	16%
Cal State Constructors (LBE-OBIE)	Blue Greenway Signage	\$551,547	8%	\$44,524	\$364,132	\$264,627	\$61,648	\$37,655	\$99,503	27%	10%
Schembri Construction (LBE-OBIE)	Pier 49 Sewer Repair	\$1,149,500	25%	\$287,375	\$0	\$0	\$0	\$0	\$0	0%	0%
Dutra	Maintenance Dredging 2011-15	\$4,000,000	3%	\$120,000	\$3,122,621	\$3,122,621	\$0	\$0	\$0	0%	0%
	Subtotal, 14B Contracts	\$11,497,528	11%	\$1,281,775	\$8,338,432	\$4,169,527	\$2,852,814	\$1,316,088	\$4,168,902	50%	16%
Micro-LBE Contracts											
Hoi's Construction (LBE-MBE)	Pier 27 - Belline Restroom	\$283,000	Micro	N/A	\$208,000	\$28,100	\$179,900	\$0	\$179,900	66%	N/A
	Subtotal, 14B Construction Contracts	\$283,000	Micro	N/A	\$208,000	\$28,100	\$179,900	\$0	\$179,900	66%	N/A
	TOTAL Construction Contracts	\$11,780,528	11%	\$1,281,775	\$8,546,432	\$4,197,627	\$3,032,714	\$1,316,088	\$4,348,802	51%	15%

Attachment 4
Professional Service Contract, FY 2014-15
(July 1, 2014 - June 30, 2015)

PROFESSIONAL SERVICES CONTRACTS											
Total FY 2014-15											
Professional Services Contracts	Service/ Project Title	Total Contract Amt.	LBE Goal %	LBE Goal Amount for Life of the Contract	Total Payments in FY	Total Non-LBE	LBE Prime Payments	LBE Sub Payments	Total LBE Payments	Overall LBE%	Sub LBE %
14B Contracts											
AECOM	Crane Cove Park Design & Planning	\$2,609,386	19%	\$495,785	\$709,556	\$537,558	\$0	\$171,668	\$171,668	24%	24%
GHD/OTC JV (JV-MBE)	Earthquake Study of Northern Seawall	\$467,500	25%	\$116,875	\$230,475	\$96,540	\$83,315	\$50,620	\$133,935	56%	22%
Public Financial Management	Financial Advisory Services	\$420,000	20%	\$84,000	\$0	\$0	\$0	\$84,000	\$0	0%	0%
	Subtotal, 14B Contracts	\$2,609,386	27%	\$696,660	\$940,031	\$834,098	\$83,315	\$222,618	\$306,933	33%	24%
Non-14B Contracts											
Ether Reyes (LBE-WBE)	Contracting Process Consulting	\$67,000	N/A	N/A	\$22,662	\$0	\$22,662	\$0	\$22,662	100%	N/A
Davis & Perry	Media Consultants	\$70,000	N/A	N/A	8,000	\$0	\$0	\$0	\$0	0%	N/A
Davis & Associates (LBE-MBE)	Media Consultants	\$170,000	N/A	N/A	\$43,680	\$0	\$43,680	\$0	\$43,680	100%	N/A
GHD	Environmental Plan 70 Development	\$206,929	N/A	N/A	\$6,904	\$6,904	\$0	\$0	\$0	0%	N/A
Hurters Point Family	Youth Employment Services (2015)	\$420,000	N/A	N/A	\$0	\$0	\$0	\$0	\$0	0%	N/A
Landsi Communication (LBE-MBE)	Media Consultants	\$25,000	N/A	N/A	\$9,300	\$1,150	\$4,150	\$0	\$4,150	45%	N/A
Langston Engineering & Environment	Plan 70 Environmental Site Investigation	\$524,258	N/A	N/A	\$96,612	\$6,612	\$0	\$0	\$0	0%	N/A
Lowercase Productions	Branding Study	\$15,000	N/A	N/A	\$0	\$0	\$0	\$0	\$0	0%	N/A
Metropolitan Steward	Plan 80 Revenue Shares	\$2,476,000	N/A	N/A	\$295,844	\$295,844	\$0	\$0	\$0	0%	N/A
M&R Valuation Services	Hotel Consultant Services	\$74,000	N/A	N/A	\$0	\$0	\$0	\$0	\$0	0%	N/A
ORourke	Media Consultants	\$95,000	N/A	N/A	\$47,501	\$47,501	\$0	\$0	\$0	0%	N/A
Rogier L. Peters	Foreign Trade Zone Consulting Services	\$45,000	N/A	N/A	\$3,616	\$3,616	\$0	\$0	\$0	0%	N/A
Tetra Tech	Emergency Preparedness Training	\$249,000	N/A	N/A	\$175,000	\$175,000	\$0	\$0	\$0	0%	N/A
Thornton Tonaselli	Building Occupancy Resumption	\$476,890	N/A	N/A	\$30,750	\$30,750	\$0	\$0	\$0	0%	N/A
San Francisco Conservation Corps (2015)	Youth Employment Services	\$640,000	N/A	N/A	\$0	\$0	\$0	\$0	\$0	0%	N/A
San Francisco Conservation Corps (2014)	Youth Employment Services	\$285,000	N/A	N/A	\$51,243	\$44,671	\$36,571	\$0	\$36,571	45%	N/A
	Subtotal, Non-14B Contracts	\$5,639,077	N/A	N/A	\$811,112	\$704,048	\$107,063	\$0	\$107,063	13%	N/A
TOTAL Professional Services Contracts		\$8,448,473	27%	\$696,660	\$1,751,143	\$1,338,146	\$190,378	\$222,618	\$412,996	24%	13%



MEMORANDUM

September 17, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Doreen Woo Ho

FROM: Monique Moyer *Moyer*
Executive Director

SUBJECT: Informational Presentation on Revised Rules and Regulations, Harbor Berthing License Agreements, Fee Schedule and other Administrative Documents for South Beach Harbor

DIRECTOR'S RECOMMENDATION: Informational Only

Executive Summary

South Beach Harbor is a full service marina, consisting of 700 slips with concrete docks, a recreational and commercial Guest Dock, Pier 40 Maritime Center and South Beach Park. Located between Pier 40 and AT&T Park, ½ mile south of the Bay Bridge on the Embarcadero, South Beach Harbor enjoys access to great sailing and spectacular views of the City skyline.

South Beach Harbor was built in 1986 by the San Francisco Redevelopment Agency (SFRDA) on property leased from the Port of San Francisco. After the dissolution of the SFRDA, in July 2012, the Port assumed operational responsibility for the management of the 700 slip South Beach Harbor, Pier 40, Carmen's Restaurant, the Ship's Clerk's Association Building, the Harbor Services Building, which currently houses the harbor management office and South Beach Yacht Club, various parking facilities, and two long term development leases with Delancey Street and Steamboat Apartments.

In February 2015, the Port Commission approved a Memorandum of Agreement (MOA) to transfer SFRDA assets and operations on the aforementioned Port lands in the Rincon Point-South Beach Redevelopment Plan project area to the Port in a manner that is in the best interests of the Public Trust, the Port and the taxing entities. The Port

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is still awaiting the final transfer of responsibility for three California Division of Boating and Waterways (Cal Boating) loans totaling \$8 million which will represent the final administrative hurdle of the transfer.

Since the Port of San Francisco assumed management control of South Beach Harbor, several steps have been taken to stabilize the financial situation as well as make security and property improvements. The Port has hired staff including a new Harbor Master, implemented new paperless invoicing and added new alarm and close circuit TV systems. We have begun to execute leases with current Pier 40 tenants, added new restrooms and improved the general cleanliness of the pier. Current dilapidated storage units are being replaced by new metal storage cages.

Port maintenance along with the Harbor staff have been working to repair a broken baffle wall that was allowing silt to reduce the water depth to unacceptable levels. Additionally, Harbor maintenance staff have replaced all important navigation lights with brighter, more energy efficient bulbs.

Staff is also working with long time tenant, the Bay Area Association of Disabled Sailors (BAADS) to enlarge their premises at Pier 40 to help support access to the Bay for the disabled community.

The current harbor administrative processes and current rules and regulations date back to the origins of the Harbor. Port and Harbor staff have been transitioning the administration processes of the harbor to reflect Port and City systems and policies. The Harbor's approximately nine staff members have transitioned from being employees of the then redevelopment agency and are now employed by the Port. In our effort to seamlessly transition the harbor operation to Port administration and management processes, in consultation with the City Attorney's Office, Port staff have updated several of the SBH documents and license forms. These include:

- Harbor Rules and Regulations
- Harbor Berthing License Agreements
- Statements of Ownership (detailing slip holders' partnerships)
- Fee Schedule (detailing current berthing rates and other fees)
- Pier 40 Storage Locker agreement

Outreach

Port staff and the Harbormaster have worked with a slip holder association to harmonize the old rules to better reflect 2015 mandates and update insurance requirements. The Harbormaster hosts a monthly "South Beach Stakeholders" meeting on the first Thursday of most months. The next stakeholder public meeting is on October 8, 2015 and will be focused on gaining further feedback. Staff anticipates returning to the Port Commission to seek approval of these new forms and processes at its October 13, 2015 meeting. Staff have sent copies of the proposed documents to each slip holder and requested their comments.

Highlights

The new rules are evolutionary in nature as compared to the original regulations and basically clarify and update the past set of rules and regulations. Among many ministerial issues, the South Beach Harbor Rules and Regulations (see Attachment C hereto), enumerates the authorities of the Harbormaster, identifies allowable and prohibited activities within the harbor, proscribes how applications are made for berths and berths are assigned, licensed, transferred and terminated.

For example, several slips are occupied by boats that are owned by partnerships. The new rules clarify the number of partners allowed in each berthing agreement as well as sunset provisions and spousal rights. The new rules also mandate that vessels be sailed, as some boats at the harbor seldom, if ever, leave their slips. The proposed rules include provisions that vessels must be taken out of their slip at least ten times in a calendar year. This is a customary feature to ensure that berths, which are in short supply, are truly available to sailors who must have the water accessibility provided by the South Beach Harbor. Additionally insurance coverages have been reviewed by the City's Risk Manager and new policies limits have been updated and now represent the standards for other City marinas.

Conclusion

The Port and Harbor staffs continue to make improvements to the Harbor operation to best serve slip holders and other members of the South Beach Harbor community. The proposed update of the attached rules and regulations as well as an update of many of the administrative documents will continue the smooth transfer of the South Beach Harbor into the Port's maritime portfolio.

Prepared by: Joseph Monroe
Harbor Master

Denise Turner
Market Research Specialist

For: Peter Dailey
Deputy Director, Maritime

Attachments:

- A. New Rules and Regulations
- B. Current Rules and Regulations
- C. Berthing License Agreements (permanent, transit and temporary)
- D. Statement of Ownership
- E. Fee Schedule
- F. Storage Locker Agreement





SAN FRANCISCO PORT COMMISSION
SOUTH BEACH HARBOR RULES AND REGULATIONS

MONIQUE MOYER
EXECUTIVE DIRECTOR

ADOPTED _____, 2015

LESLIE KATZ, PRESIDENT
WILLIE ADAMS, VICE PRESIDENT
KIMBERLY BRANDON, COMMISSIONER
DOREEN WOO HO, COMMISSIONER

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SOUTH BEACH HARBOR RULES AND REGULATIONS

1. DEFINITIONS

Whenever any of the following words are used in these Rules and Regulations or in a License agreement or permit, they mean the following:

“**Berth**” or “**Berths**” means a berth, slip or mooring in the South Beach Harbor including an assigned dock box within the Harbor. The word “berthing” shall be construed accordingly.

“**charter vessel**” means any vessel carrying passengers for hire.

“**City**” means the City and County of San Francisco.

“**Commission**” means the San Francisco Port Commission.

“**day**” or “**days**” means calendar days.

“**Fee**” means any fee or charge listed on the Fee Schedule.

“**Fee Schedule**” means the schedule of Fees, rates and charges adopted by the Commission and amended from time to time.

“**habitual late payer**” means an Owner that has not timely paid berthing Fees three (3) times in a three (3) year period.

“**Harbor**” means South Beach Harbor at Pier 40 and all facilities and improvements therein and entrances thereto including without limitation, the Pier 40 shed building and parking areas.

“**Harbormaster**” means the Harbormaster of the South Beach Harbor as appointed by the Port Maritime Director.

“**Hot Work**” means any activity generating a naked flame, spark or hot gas, and includes the use of BBQs and other cooking apparatus on the deck of a vessel.

“**Invitees**” means all crew, visitors, guests, agents, contractors, employees, hired personnel and other invitees while at the Harbor.

“**Laws**” means any present or future law, ordinance, judicial decision, rule, regulation or requirement of any federal, state, local or regional governmental entity with jurisdiction over the Harbor or activities therein. “**Laws**” includes the requirements of the San Francisco Port Code as to the South Beach Harbor Public Access Pier and South Beach Park.

“**License**” means the agreement under which an Owner is granted the right for a vessel to use a berth in the Harbor.

“**Licensee**” means the individual named in a License.

“**Maritime Director**” means the Deputy Director, Maritime, of the Port of San Francisco.

“**Owner**” means the registered owner of a vessel and shall include a Licensee when such Owner has a License and a Partnership and each member thereof when such Partnership owns a vessel.

“**Partnership**” means a general or limited partnership, limited liability company, corporation, joint venture or other such legal entity.

“**person**” means any person, including an Owner, using the Harbor.

“**Port**” means the Port of San Francisco.

“**Temporary**” shall mean a person berthing a vessel at the Harbor for a maximum period of six (6) months.

“Transfer” means to or attempt to give, sell, sublease, assign, transfer or otherwise permanently or temporarily voluntarily or involuntarily relinquish a right to use a berth including a Transfer of an ownership right in a vessel if the use of the berth is part of the Transfer.

“Transfer Fee” means the Fee charged to transfer a License as set forth in the Fee Schedule.

“Transient” shall mean a person berthing a vessel at the Harbor for a period of fourteen (14) consecutive days or less.

“USCG” means the United States Coast Guard.

“vessel” means any vessel or watercraft in, entering or departing the Harbor.

2. APPLICABILITY OF RULES AND REGULATIONS

These Rules and Regulations apply to all persons entering and using the Harbor, including without limitation all Licensees, Owners, and their Invitees.

In the event of any conflict or inconsistency between the Rules and Regulations and the terms and conditions of a License, the License will control.

Port reserves the right at any time and from time to time to change or rescind any one or more or all of these Rules and Regulations or to make such other and further Rules and Regulations as the Port determines are in the best interest of the Port, the environment and/or the Harbor. Such revised or new rules shall be binding upon all users of the Harbor.

3. HARBORMASTER AUTHORITY

A. The Harbormaster shall have full authority to operate the Harbor and to interpret and enforce these Rules and Regulations, as amended from time to time by Port. Violation of these Rules and Regulations may be cause for removal of persons, vessels or vehicles from the Harbor, revoking or terminating a License, parking permit or other authorization or taking other actions determined to be necessary or appropriate by the Harbormaster. Unless otherwise specified in these Rules and Regulations, all actions of the Harbormaster shall be in his or her sole discretion.

B. Every person, vessel and vehicle entering the Harbor shall immediately become subject to the authority and direction of the Harbormaster. The Harbormaster shall have the right to board any vessel in the Harbor for the purpose of administering and enforcing these Rules and Regulations.

C. The Harbormaster may board, enter, move or carry out emergency work on a vessel for safety or operational reasons without prior notice and at the Owner's expense. If Harbor personnel must perform such services after-hours, the after-hours services rates will apply.

D. The Harbormaster shall have the right to refuse entry into the Harbor of any vessel which in the Harbormaster's opinion is derelict, unseaworthy and/or of inappropriate size. Every vessel shall be berthed in the space assigned by the Harbormaster.

E. The Harbormaster shall have the right to reassign berths when there is a vacancy to obtain optimum utilization of Harbor facilities or to accommodate new or existing Licensees including Transient and Temporary Licensees that are in good standing and desire to relocate within the Harbor.

F. The Harbormaster shall have the right to move or cause to be moved any vessel to (1) ensure the proper operation, maintenance and repair of the Harbor; (2) as required for the safety and protection of persons or property; and (3) temporarily for a special event, such as a vessel show. If practicable, the Harbormaster will provide notice before moving a vessel.

G. The Harbormaster shall have the right, at Owner's expense, to secure, move or remove any vessel that is in violation of a License or these Rules and Regulations and the Owner has failed to cure the

default during the cure period, if any. If practicable, the Harbormaster will provide notice before moving a vessel.

H. Each Owner hereby appoints the Harbormaster as his or her agent for designating a place of storage and safekeeping at the Owner's expense in the event that the Harbormaster moves the vessel to a location outside of the Harbor. The cost of removal and transportation to and from the storage facility shall be paid by Owner.

I. If at any time the Harbor is so badly damaged or affected by an event beyond the Port's reasonable control such that the Harbor can no longer provide berthing or other services, the Harbormaster shall have the right to terminate a license or other permission to use the Harbor and cancel services by providing reasonable notice.

4. GENERAL CONDITIONS; RELEASE

A. All persons enter and use the Harbor at their own risk and in doing so acknowledge and accept these Rules and Regulations.

B. Port shall not be liable for any death, injury, theft, loss or damage, including to vehicles or vessels, arising from a person's use of the Harbor. Port assumes no risk on account of fire, acts of nature, conditions of the sea, theft, or damages of any kind to vessels or vehicles using the Harbor.

C. Port is not under any general duty to provide a safety, weather, or security watch for the benefit of any person, vessel or vehicle and any liability or responsibility of Port for these contingencies is expressly released and waived by the users of the Harbor.

D. Port shall not be liable for claims relating to lack of or inadequate security, including for Port's own negligence, even in the event that Port provides some security services. Port does not warrant that unauthorized persons will not board vessels in the Harbor.

E. As a condition of using the Harbor, all persons entering the Harbor waive any and all claims against the City and Port arising from his or her use of the Harbor for any cause arising at any time, including without limitation all claims arising from the joint or concurrent, active or passive, negligence of the City or Port, but excluding any intentionally harmful acts committed solely by Port or City. Neither the Port, City, nor any of its officers or employees shall be liable and Owner waives all claims for damage to persons and/or property sustained by a berthholder resulting from the movement of his/her vessel.

5. GENERAL PROHIBITED ACTIVITIES

Unauthorized berthing in the Harbor is prohibited.

No person shall bring into or berth within the Harbor any vessel of any kind whatsoever which is so unseaworthy or in such a badly deteriorated condition that it may cause damage to docks, floats or other vessels or which may become a menace to navigation. The Harbormaster shall determine the seaworthiness of the vessel.

No person may swim, bathe, or wade in any portion of the Harbor with the exception of entering the water to clean or maintain the bottom of a vessel.

Fishing, crabbing, and the cleaning of fish on the gangplanks, docks and floats is strictly prohibited within the Harbor. All fish caught outside the Harbor must be disposed of within twenty-four (24) hours from the time of catching. No person shall throw fish overboard at the dock or from a vessel within the Harbor.

Hot Work is strictly prohibited. Grills and other cooking equipment are prohibited on dock surfaces.

Spray painting is strictly prohibited.

Except for Transients, no person may live aboard any vessel berthed in the Harbor. This prohibition shall not prevent the use of vessels in the Harbor for eating and sleeping purposes for a period not to exceed three (3) calendar days in any one week period or a maximum total of seven (7) calendar days in any thirty (30) calendar day period, provided that the Owner give the Harbormaster prior notice.

The discharge of any sewage into the waters of the Harbor is prohibited. No person shall operate or berth in the Harbor any vessel equipped with a toilet unless such toilet is sealed or otherwise rendered inoperable or designed so that no human excreta can be discharged into the waters of the Harbor.

No person shall throw, discharge or deposit from any vessel or from the shore or float any refuse matter of any kind whatsoever into or upon the waters of the Harbor, or in, on or upon the banks, walls, sidewalks, or beaches of any waters within the boundaries of the Harbor area. All garbage, recycling and composting must be deposited in receptacles furnished by the Port for that purpose or removed from the Harbor area.

No person shall dump or discharge oil, spirits, inflammable liquid, or the contents of holding tanks, or contaminated bilge water into the Harbor.

Solicitation of patronage in the Harbor is prohibited. No person shall row, propel, navigate or maintain any boat or float in the Harbor for the purpose of advertising.

No person shall roller skate, skateboard, or ride motorcycles on the docks and gangways within the Harbor.

No person shall operate a commercial or business activity, including a hotel "Bed & Breakfast" "Air BnB" or similar facility or a charter service, unless the Port has first granted approval in writing through a lease or other agreement.

6. APPLICATION; LICENSE; BERTHING ASSIGNMENT

A. Owners are responsible for ensuring accurate and current information in the application and license process. The address for the Owner shown in the Statement of Ownership or License will be the legal point of contact for all official communications. Owner must notify the Harbormaster in writing immediately upon a change in address. Invoices, notices of violation, Wait List notifications about available berths and other information will be sent to this address by certified mail with a return receipt requested. Owner is required to provide an electronic mailing address as a secondary point of contact. It is the Owner's responsibility to ensure accuracy of records on file in a timely manner. The Port is not responsible for lost or misdirected mail due to incorrect information.

B. Berthing slips are classified by size. There are three classes of licenses in the Harbor:

(1). Berthing license for a term of five (5) years, which shall expire if not renewed in accordance with the terms of the License.

(2). Transient berthing license for a maximum term of up to fourteen (14) days.

(3). Temporary berthing license for a maximum term of up to six (6) months.

The Harbormaster may use vacant berths and other Harbor facilities with temporarily suspended Licenses for Transient and Temporary berth assignments. No more than thirty berths of the Harbor, excluding temporary suspensions, shall be used for Transient and Temporary berthing.

C. License Required. No person shall berth a vessel in the Harbor without having secured a License. Only an individual natural person who provides proof of ownership of the vessel on a Statement of Ownership form provided by the Harbormaster shall be eligible for a License. The Statement of Ownership shall name the spouse or registered domestic partner of an individual owner and multiple owners as detailed below. Unless otherwise allowed by the Harbormaster, each individual may only have one (1) License.

D. Requesting a License. Applications for berthing in the Harbor shall be made to the Harbormaster on a form furnished by the Harbormaster. Applications may be granted or denied in the Harbormaster's discretion.

E. Multiple Owners; Partnerships.

(1) No License will be issued in the name of a Partnership. A License for a vessel which is owned by a Partnership will be issued only to an individual natural person whose interest in the vessel (whether by virtue of an interest in the Partnership, ownership of stock of a corporation, or otherwise) is documented to the satisfaction of the Harbormaster. An application for a License for a vessel which is owned by a Partnership shall include a Statement of Ownership designating the preferred individual to be named on the License (subject to the Harbormaster's approval), list all other individual Owners with an interest in the vessel and must be signed by all persons listed on the Statement of Ownership. A copy of the Partnership agreement must be submitted with the Statement of Ownership. The individual named on the License should remain actively involved with the vessel, be the agent for the Partnership in all dealings with the Harbor, receive and pay all billings and sign all agreements on behalf of the Partnership. However, each Owner shall be jointly and severally liable to Port for all obligations and liabilities under a License. No more than three (3) individual natural persons can be listed on the Statement of Ownership (including the preferred Licensee).

Exception: A Partnership that can document that it has four (4) individual natural partners at the time these Rules and Regulations were first adopted may include the four (4) partners on a Statement of Ownership, but, if for any reason the fourth partner leaves the Partnership, he or she cannot be replaced and the Partnership will be limited to three (3) individuals.

(2) New bona fide partners may be added to the Statement of Ownership (up to 3 including the Licensee) with the prior consent of the Harbormaster and a copy of the Partnership agreement, provided that an original partner listed on the initial Statement of Ownership must remain one of the owners of the vessel. Once no original partners remain, the License will automatically terminate. This rule also applies to a License issued to a single individual as follows. If an individual on a License enters into a Partnership, he or she may add new bona fide partners to the Statement of Ownership (up to 3 including the Licensee) with the prior consent of the Harbormaster and a copy of the Partnership agreement, provided that the original individual on the License remains as one of the owners of the vessel. Once the original Licensee is no longer in the Partnership, the License will automatically terminate.

(3) Within thirty (30) days of notification by the Harbormaster, any Partnership that has an existing license issued in the Partnerships' name must submit for approval by the Harbormaster a fully executed Statement of Ownership designating an individual natural person to be the Licensee consistent with these Rules and Regulations. Failure to comply will result in automatic termination of the existing license.

F. Changes to Statement of Ownership. A Licensee must notify the Harbormaster immediately of any change to the information provided in the Statement of Ownership. If the change results in a Transfer, the rules regarding Transfers in Section 7 will apply.

G. Only the vessel listed on the License shall be berthed in the space assigned by the Harbormaster. Only one vessel of any kind is allowed in any berth.

H. Owners must purchase a card key or key fob to obtain access to Harbor facilities.

7. TRANSFER PROHIBITED

A. Transfer of License Prohibited. A Licensee shall not Transfer a License or other right to use a berth in the Harbor except to the extent and on the terms and conditions provided in these Rules and Regulations. Any other purported Transfer shall have no force or effect and the License shall be automatically revoked as of the date of the purported Transfer without further notice or action by Port.

B. Exceptions. The following Transfers are permitted upon the express written consent of the Harbormaster and payment or waiver of the Transfer Fee. The Harbormaster will deny a Transfer of any License if the Licensee is not in good standing.

1. Spouse or Registered Domestic Partner. At least ten (10) days before any proposed Transfer under this Section, Licensee must provide notice to the Harbormaster and proof of marriage or proof of registered domestic partnership and any other information, documentation, or evidence that the Harbormaster requests to enable Port to evaluate the Transfer. The Transfer Fee is waived for such Transfers.

2. Death of a Licensee with a Spouse or Registered Domestic Partner at Time of Death. Not later than thirty (30) days after the date established on the death certificate as the date of death of the Licensee, the administrator or executor of the estate of the Licensee or the Licensee's surviving spouse or registered domestic partner shall notify the Harbormaster in writing of the death of the Licensee. The notification of the Harbormaster shall also state whether the spouse or legally registered domestic partner seeks Transfer of the License. Transfer of the License to the surviving spouse or registered domestic partner will be approved by the Harbormaster only if (a) the surviving spouse or registered domestic partner can satisfactorily demonstrate an equity ownership interest in the vessel, and (b) either proof of marriage or proof of registration of the domestic partnership to the Licensee at the time of the Licensee's death is provided to the Harbormaster. If notification is not received by the Harbormaster within the 30-day period, the License shall be deemed to be automatically terminated sixty (60) days after the date established on the death certificate as the date of death of the Licensee, and the surviving spouse, registered domestic partner or estate of the deceased Licensee shall remove the vessel from the Harbor on or before such date. The terms and conditions of the License will continue to apply, including the payment of Fees, until the vessel is removed from the Harbor.

If Licensee's surviving spouse or registered domestic partner provides the required notice, but either (a) does not seek a Transfer or (b) seeks a Transfer but does not qualify for a Transfer, then the License shall automatically terminate sixty (60) days after the date established on the death certificate as the date of death of the Licensee and the surviving spouse or registered domestic partner shall have 60 days to remove the vessel from the Harbor. The terms and conditions of the License will continue to apply, including the payment of Fees, until the vessel is removed from the Harbor.

The Transfer Fee is waived for Transfers under this Section.

3. Transfer of License Between Partners in a Partnerships. A License may be Transferred to any one of the original individual partners listed in the initial Statement of Ownership on file with the Harbormaster, if requested by the existing Licensee, provided that Licensee provides at least thirty (30) days prior written notice to Port, provides any information, documentation, or evidence that Port requests to enable Port to evaluate the Transfer request and pays the Transfer Fee.

8. TERMINATION BY LICENSEE

A Licensee may terminate his or her License at any time by written notice to the Harbormaster at least fifteen (15) calendar days in advance of the effective date of the termination. Fees will continue to apply until the vessel leaves the Harbor.

9. RELEASE OF ASSIGNED BERTH

A Licensee shall notify the Harbormaster in writing of the exact date of vacation of an assigned berth at least fifteen (15) calendar days in advance of the effective date of release. Fees will continue to apply until the vessel leaves the Harbor.

10. ABSENCE FROM BERTH

A Licensee's absence from the assigned berth for a period of six (6) consecutive months shall result in automatic termination of a License, unless such absence was approved in advance in writing by the Harbormaster either due to a temporary suspension or otherwise in the Harbormaster's discretion.

11. WAIT LIST

The Harbormaster shall create and maintain a "Wait List" which shall govern the distribution of berths at the Harbor when an appropriate berth becomes available. Persons on the Wait List are subject to the same requirements as applicants under Section 6. There is one single Wait List that is divided into categories according to slip length. Berth assignments from the Wait List will be made by the Harbormaster as follows:

A. Assignment of Berths. Only individual natural persons can be on the Waitlist. All berth assignments will be based on seniority (defined as the earliest chronological application date) on the Wait List. An applicant may choose to pass up a berth assignment three (3) times if he/she wishes and retain his or her seniority on the Wait List.

B. Applying to the Wait List. An applicant to the Wait List is required to designate a maximum of two categories of berth sizes for which he or she seeks a License. A separate application is required for each berth size category.

C. Fees. Each Owner on the Wait List must pay an annual Fee in the amount shown on the Fee Schedule to remain on the Wait List. Failure to pay the Fees when due will result in removal from the Wait List. In addition, to remain on the Wait List, each Owner must annually renew its application by submitting an annual Statement of Ownership. Fees are non-refundable/non-transferable and they are not applicable to other Fees due upon issuance of a License.

D. Procedure for Berth Assignment from Wait List. As berths become available, the Harbormaster will offer the berth to the most senior person on the Wait List for that berth's size by certified mail to the applicant's address on file. Only the individual on the Wait List will be eligible for a berth (which may include that individual's partners in a partnership under the rule set forth in Section 7). The offer of a berth assignment must be accepted in writing to the Harbormaster within fifteen (15) days of the date the notice was mailed. If the applicant declines or if acceptance is not received within the 15-day period, the Harbormaster will offer the berth to the next most senior person on the Wait List within the berth size category and each applicant in turn until the berth is either accepted by an applicant or declined by all applicants for that berth size category.

E. Execution of License. An applicant selected from the Wait List must execute a License and bring his or her vessel into the Harbor within thirty (30) calendar days of being assigned a berth. Once a License is executed, the applicant will be removed from the Waitlist. Failure to meet the requirements necessary to enter into a License or to bring the vessel into the Harbor as required by these Rules and

Regulations will be considered a declined offer and the Harbormaster will notify the next person on the Wait List.

12. FEES; TAXES

A. All charges and fees shall be payable in accordance with the Fee Schedule which may be updated by the Port Commission from time to time with at least thirty (30) days' prior notice

B. Berthing Fees shall be paid on or before the first day of each month without prior demand and without any deduction, setoff or counterclaim whatsoever. Except as provided below, if the Commencement Date of a License is not on the first day of the month, the berthing Fee will be prorated based on a 30-day month. A full month's berthing Fee is due for all or a portion of the final month of use; there shall be no prorating of the Fee for the final month.

C. Use of the Harbor may create a possessory interest subject to property taxation and an Owner may be subject to the payment of taxes levied on such interest. Owners shall pay all taxes levied against any possessory interest right or against a vessel. The assessment of a possessory interest tax on the use or occupancy of a berth on public property does not imply or confer property rights.

13. NON-PAYMENT OF FEES

A. No person shall remove or cause to be removed from the Harbor any vessel for which Fees are delinquent without paying in full all such delinquent Fees.

B. Berthing Fees are delinquent fifteen (15) calendar days after the due date. Three such delinquencies in a one (1) year period shall result in a Licensee becoming a "habitual late payer." In addition to other remedies for late payment, the Harbormaster may automatically terminate the License of any habitual late payer on the occasion of any subsequent delinquencies in payment of Fees.

C. If any check for a payment due to the Harbor is returned without payment for any reason, Owner shall pay, as an additional charge, a returned check Fee in the amount established in the Fee Schedule and the outstanding payment shall be subject to all other delinquency Fees.

D. Owners shall pay Port all costs and expenses reasonably incurred by Port including, but not limited to, attorney's fees in collecting sums due from Owners under these Rules and Regulations or in enforcing any terms of these Rules and Regulations.

14. MARITIME LIEN; SALE OF VESSEL

A. In accordance with the provisions of Division 3, Chapter 2, of the California Harbors and Navigation Code, the charges for berthing Fees, services rendered or supplies furnished in excess of Fifty Dollars (\$50.00) are liens upon a vessel, and when these are delinquent fifty (50) calendar days or more, an action may be brought against the Owner and/or Licensee to enforce payment of the lien by the Harbormaster, and the vessel with all its appurtenances and furnishings may be attached as security for the satisfaction of any judgment that may be recovered in the action. Unless the outstanding amounts due are satisfied, the Port may sell the vessel, all of its appurtenances and furnishings at public auction and apply the proceeds to the arrearage in accordance with the Harbors and Navigation Code.

B. The Harbormaster will use the following process to recover amounts due:

(1) The Harbormaster will provide ninety (90) days' notice to the Owner by certified mail (the "Disposal Notice"). If the Owner fails to pay all amounts due, and, if applicable, fails to remove his or her vessel from the Harbor, then the Harbormaster may sell the vessel at public auction at any time following the expiration of the 90-day period.

(2) Within thirty (30) days of serving a Disposal Notice, the Harbormaster will advertise his or her intention to dispose of the vessel at auction in two regional or national daily newspapers and shall fix a copy of the Disposal Notice to the superstructure of the vessel.

(3) The Harbormaster shall be entitled to deduct from the proceeds of the auction any outstanding debt and any costs, including reasonable management costs, necessarily incurred by the Harbor or the Harbormaster.

15. USE OF WATER AND ELECTRICITY

A. Fees. Charges for usage of water and electricity in usual and ordinary amounts are included in berthing Fees for the Harbor. Usage beyond such usual and ordinary amounts and excessive use of electricity for heating, cooling and other purposes is prohibited, unless authorized in advance by the Harbormaster and included in the Owner's Fees.

B. Vessel's Electrical Connections. Owners must ensure that his or her vessel's connection to the Harbor's electricity supply is properly and safely fitted and maintained, and that the electricity cables are disconnected from the supply point before being disconnected from the vessel.

C. Continuous Use of Water. Continuous use of water is prohibited except in the event of an emergency. The existence and nature of the emergency shall be reported immediately to the Harbormaster.

D. Water Hoses/pipes. Owners must ensure that water hoses/pipes are fitted with spring-loaded nozzles so that the water supply shuts off when the hose is unattended.

16. DOCK BOXES

A. No dock boxes other than the ones supplied by the Harbor will be allowed on docks. All dock boxes are subject to inspection by the Harbormaster. Dock boxes may be used to store miscellaneous boating equipment and cleaning supplies. The items listed in Schedule 2 are prohibited in dock boxes.

B. Owner shall keep the dock box locked at all times. Owner shall maintain the interior of the dock box in good condition, free of odoriferous and noxious materials, and shall keep the adjacent areas clean and free of litter and debris. The Harbormaster and his or her authorized agents shall have the right to inspect the dock boxes and their contents without notice at any time for hazardous conditions, safety concerns, and structural and engineering purposes or to determine whether Owner is complying with these Rules and Regulations.

17. VESSEL DOCUMENTATION

A. Every vessel entering the Harbor must be registered and numbered as required by the USCG or by the Laws of the State of California or the State in which it is registered.

B. An Owner of a vessel entering the Harbor shall provide all information relating to the vessel and the ownership thereof as may reasonably be required by the Harbormaster.

18. VESSEL TRAFFIC WITHIN THE HARBOR

A. All vessels approaching or within the Harbor must be operated in a safe and prudent manner and in no event shall the entrance to the Harbor be blocked.

B. The speed of any vessel within the Harbor shall not exceed five (5) miles per hour and shall create no wake.

C. No vessel shall be operated in the Harbor except for entering or leaving an assigned berth and necessary maneuvering in connection therewith.

19. COMPLIANCE WITH LAWS

All persons using the Harbor shall comply with all applicable Laws with regard to their activities and operations in the Harbor, including without limitation, all requirements relating to the Harbor and all laws regarding water safety and operation and maintenance of vessels.

20. MINORS ON DOCKS

No person under the age of sixteen (16) years of age may go, remain, or be upon any of the docks, gangways, floats or vessels in the Harbor, unless such person is accompanied by a responsible adult.

21. ACCIDENT REPORTS

An Owner must immediately provide the Harbormaster with a copy of any report of any accident or injury occurring in the Harbor.

22. UNNECESSARY DISTURBANCE

Owners are responsible for the conduct and actions of his/her crew and other Invitees. Owners shall not use or occupy the Harbor or permit or suffer Owner's Invitees to use or occupy the Harbor in a manner which might reasonably be expected to cause a nuisance or be offensive or objectionable to other occupants or users of the Harbor or interfere with the enjoyment of the Harbor by other patrons (i.e. loud music, noise, or language, threatening behavior, and/or odors) between the hours of 11:00 pm and 7:00 am.

23. INVITEES; CONTRACTORS

A. Invitees. Invitees must be accompanied by an Owner. Owners shall be responsible for the conduct and control of all Invitees.

B. Contractors. The Harbormaster may regulate entry into the Harbor by yacht brokers, contractors, and service personnel, and the Harbormaster may require written authorization from the Owner prior to allowing entry to such persons. All contractors and other service providers shall report to the Harbormaster's Office upon entering the Harbor and again before leaving. Contractors must provide evidence of liability insurance with a reputable insurer for a sum of not less than \$500,000 and worker's compensation coverage (if applicable). Evidence of coverage must be provided to the Harbormaster upon request. All contractors and other service providers are only allowed on Harbor property only during normal business hours.

C. The Harbormaster may take reasonable steps to ascertain that persons aboard any vessel are authorized by the Owner to be aboard.

24. GENERAL RULES AND OBLIGATIONS OF THE OWNER

A. Dangerous Conditions. Owners shall immediately notify the Harbormaster of any observed dangerous condition requiring attention by the Port.

B. Animals. All dogs must be leashed at all times in all public areas in the Harbor. Owners and Owner's Invitees are required to closely supervise their pets while in the Harbor, and particularly on the ramps, docks and fingers. Owners are required to pick up their pets' waste in the interest of public safety and sanitation. All pets are prohibited in the Harbor restrooms.

C. Clean & Green Harbor. Nothing from the vessel is allowed to go into the water. Owners must take reasonable measures to minimize the risk of water pollution, as follows:

1. Owners may not discharge any garbage, toilet effluent, dirty bilge water, or other pollutant;

2. Owners must ensure that the bilge contains a bilge oil and fuel absorber. Owner must dispose of used oil absorbents as hazardous waste in accordance with Laws.

3. Owners may not operate bilge pumps unless they are fitted with oil-absorbing pads in the bilge.

4. Owners must store all fuel, paint, chemicals, and other potential pollutants in a safe manner; review storage of paints and solvents every six (6) months; properly dispose of old unnecessary products; and not store more than two gallons of paint and solvents.

5. Owners must limit the amount of open solvents or paints on the docks to one (1) gallon; mix paints and epoxy over a tarp; use a drip pan or drop cloth; and not dispose of paint or solvents in the Harbor waste and recycling receptacles.

6. Owners must use only bio-degradable and phosphate-free cleaning materials.

7. Owners must dispose of compost, garbage and recycling in the designated places, or remove it from the Harbor.

8. Owners must discharge holding tanks only at the Harbor-designated places. The Harbor will make commercially reasonable efforts to provide temporary alternatives in the event that the designated place is out of service.

9. Owners may not use any dispersants to conceal oil or fuel spills.

D. **Fire Prevention.** Owners must take reasonable measures to minimize the risk of fire aboard Owner's vessel, including but not limited to the following:

1. Owners must store fuel, pyrotechnics, and other flammable materials in a safe manner.

2. Owners must ensure that gas supplies are turned off when not in use.

3. Owners must maintain adequate firefighting equipment aboard per USCG and/or State Laws.

25. MAINTENANCE AND CARE OF VESSEL; ANCHORING OF VESSELS

A. All vessels shall be berthed and secured with proper care and equipment and such berthing or equipment shall be maintained at all times in seaworthy condition as so determined by the Harbormaster. The Harbormaster may examine any vessel in the Harbor to determine compliance with the standards required by these Rules and Regulations.

B. Port assumes no responsibility or liability for the safe dockage or maintenance of any vessel. Owners shall be solely responsible for the proper operating condition of their vessel's equipment and for the size and condition of dock lines. Owners must maintain vessel in a safe and seaworthy condition to prevent hazards to other vessels in the Harbor, and to comply with the Rules and Regulations regarding vessel maintenance.

C. Owners shall be liable for damages caused to other vessels or to the Harbor's docks, pilings, plumbing, wiring and other equipment, machinery or facilities caused by Owner's operations or its vessel. This provision shall apply even in the event of a windstorm or other natural causes.

D. Owners must ensure that his/her vessel is secured in a seamanlike manner, with adequate lines and fenders to withstand all foreseeable weather and tidal conditions and the proximity of other vessels, and with separate lines for each function (e.g. bow, stern, springs and breast lines). The Harbormaster may dictate the kind of cleats, ropes, fenders, and other measures that must be used on vessels as a condition of use of the Harbor.

E. An Owner must maintain his or her vessel in a clean and tidy condition, and sufficiently seaworthy so that it can leave the berth and Harbor under its own power in all normal weather and sea conditions. Owners must maintain vessels in such a manner that they operate under their own power and can be removed quickly from the Harbor in the event of fire or other emergency.

F. Owners shall ensure that vessels comply with all statutory requirements and standards dictated by the USCG and the State of California, including registration with the applicable state or national authorities and the USCG, the display of valid registration numbers, and crew qualifications.

G. Berthing of a vessel the size of which is greater than that of the assigned berth is prohibited. Owners shall ensure that no part of the vessel (i.e. pulpit, anchor, davits, outboard engine, etc.) overhangs the pontoon, jetty or quay, or extends into the navigational fairways of the Harbor. Vessel length is measured from bow to stern, actual length as it sits in the berth. Vessel length shall not exceed the length of the finger pier. Small tenders and row boats are permitted to be moored, if kept by and for the use of the Owner and berthed within the limits of the assigned berth.

H. Owners must ensure that while in the Harbor, vessels are controlled by adequately trained and competent person(s) in a seamanlike manner, observing the speed limits, keeping wash to a minimum, and ensuring that no damage, inconvenience, or risk is caused to other persons and vessels, to nearby property or to the Harbor.

I. In the event that any vessel is not maintained or secured properly, the Harbormaster may supply lines and fittings, or may care for the vessel in such a manner as to prevent damage to the vessel, docks, or floats and/or other vessels at the Owner's expense.

J. If, in the opinion of the Harbormaster, a vessel is in danger of sinking, the Harbormaster may pump out the water from the vessel at the Owner's expense.

K. In the event a vessel is wrecked or sunk within the Harbor, it shall be the Owner's responsibility to mark its position and provide for the raising and disposition of such vessel and the Owner assumes all liability for damage to Harbor property or other vessels in the Harbor.

L. Only minor repairs and maintenance work is allowed while a vessel is in the Harbor; provided that all such work and all materials used in such work are kept within the confines of the vessel itself and the work is not carried on in any manner whatsoever upon floats, gangways or docks. The Harbormaster may order any work to cease if he or she determines that the work may cause a risk of damage, nuisance or a health and safety hazard.

26. HAZARDOUS OBSTRUCTIONS PROHIBITED: BOARDING PLATFORMS

A. Floats, gangways, top of dock boxes and the docks shall be kept clear at all times of skiffs, tenders, miscellaneous gear, debris or other hazardous obstructions.

B. Any condition aboard or around any vessel, float, or gang plank caused by the Owner, which, in the opinion of the Harbormaster constitutes a fire hazard, public health nuisance or danger to public safety shall be corrected or removed immediately to the satisfaction of the Harbormaster. In the event of the refusal or neglect of the Owner to remedy the condition, the Harbormaster will correct or remove the hazard at the Owner's expense.

C. Boarding platforms or ladders on floats are permitted, subject to the prior approval of the Harbormaster, provided that any platform used for boarding shall not be over eighteen (18) inches in width and not over three (3) feet high, shall be of lightweight construction and shall not exceed the size of the slip by more than one (1) foot. The boarding platform shall not be used for storage.

D. No person shall build or place in or about the Harbor, any structures, including without limitations walkways, gangplanks, finger floats, rubbing piles or dock boxes. No modifications of dock structures are permitted at any time, without exceptions. This includes flotation systems, containment basins under vessels, fenders, antennas and any other additions.

27. SIGNS. Owners shall not place, construct or maintain any signage, awning or other exterior decoration or notices on vessels, piles, gangplanks or floats or elsewhere in the Harbor without the Harbormaster's prior written consent. Any sign that Owner is permitted to place, construct or maintain shall comply with all Laws relating thereto, including but not limited to Port's Sign Guidelines, as revised by Port from time to time, and applicable permit requirements.

28. VEHICLE PARKING

A. Vehicle parking is prohibited except in a marked space or drop off zone or in accordance with a parking permit issued by the Harbormaster under these Rules and Regulations.

B. The Harbormaster may issue parking permits to Owners or other authorized persons using the Harbor to park in designated parking areas while they are at the Harbor under the following conditions:

(1) Upon application by a Licensee on a form designated by the Harbormaster, the Harbormaster may issue one (1) free parking permit per Licensee in the name of the Licensee or a vessel co-owner or spouse or registered domestic partner listed on the Statement of Ownership for use with a vehicle registered in that person's name or one (1) free annual parking permit placard for use with multiple vehicles owned by persons eligible for a parking permit as specified above; provided that each vehicle that uses the placard is registered with the Harbormaster and identified on the placard. The Harbormaster may issue a second annual parking permit or placard to the persons specified above for a fee specified in the Port adopted Fee Schedule paid in advance.

(2) Parking permits must be renewed annually on a schedule and in the manner directed by the Harbormaster.

C. The Harbormaster may issue temporary or daily parking permits to Licensee's Invitees upon application by a Licensee on a form designated by the Harbormaster for such limited time periods as determined by the Harbormaster based on his or her assessment of available space. The Fee for temporary permits are specified in the Port-adopted Fee Schedule.

D. Parking permits are non-transferable.

E. Permits issued to a single vehicle are to be affixed to the left side of the rear bumper. Parking placards for multiple vehicles must be placed on the front dashboard and must be clearly visible from outside the vehicle.

F. Vehicles parked in designated parking areas without valid permits or otherwise in violation of these Rules and Regulations will be subject to citations and fines, towing, revocation of the parking permit and/or loss of future parking privileges. All charges and fines will be the responsibility of the vehicle owner.

G. If deemed necessary by the Harbormaster, the Harbormaster may restrict or limit the use of parking areas on a temporary or permanent basis.

H. A parking permit does not create a bailment of a vehicle. City, Port and the Harbor are not responsible for the safekeeping of vehicles and shall not have any liability for theft or damage to any vehicle in the parking areas.

I. No trailer, caravan or commercial vehicle may be parked at the Harbor.

29. NOTICES

A. Payment of Fees and Notice to Port. Except as otherwise expressly provided, all Fees due and all notices required or permitted by Law, a License or these Rules and Regulations to be made to the Harbor or to Port must be in writing and be delivered by: (a) hand delivery; (b) first class United States

mail, postage prepaid; or (c) overnight delivery by a nationally recognized courier or the United States Postal Service, delivery charges prepaid.

Port of San Francisco
South Beach Harbor
Pier 40A Harbormaster's Office
San Francisco, California 94111
Attention: Harbormaster
Telephone: (415) 495-4911
Facsimile: (415) 512-1351

B. Notice by Port. Unless a different method is specified in these Rules and Regulations or in a License or by Laws, all notices required to be given by Port or the Harbormaster shall be considered given by depositing the same in the United States mail, postage prepaid, and addressed to Licensee at the last given mailing address on file with the Harbormaster.

C. Receipt of Notice. All notices under these Rules and Regulations or a License shall be deemed to be duly delivered: (a) if delivered, on the date personal delivery actually occurs; (b) if mailed, on the business day following the business day deposited in the United States mail or, if mailed return receipt requested, on the date of delivery or on which delivery is refused as shown on the return receipt; or (c) if by overnight delivery, the business day after the business day deposited for overnight delivery.

D. Notices may not be given by facsimile or electronic mail, but either party may deliver a courtesy copy of a notice by facsimile or electronic mail may be delivered.

Schedule 1
Fee Schedule

Schedule 2
Prohibited Items

I) US DOT Hazardous Materials

II) Common household materials that are prohibited include:

- A. COMBUSTIBLE LIQUIDS:
 - Rubbing Alcohol
 - Lubricants (Motor Oils)
 - Anti-Freeze Compounds
- B. CORROSIVES
 - Acids
 - Drain Cleaner
 - Photographic Acids used in developing film
 - Bleach
 - Batteries (wet or dry)
 - Water Purifying agents used in swimming pools
- C. EXPLOSIVES
 - Fireworks
 - Small Arms Ammunition
 - Flash Bulbs
- D. FLAMMABLES
 - Lighter Fluid
 - Matches
 - Wood Oil Stains
 - Petrol-Chemical Based Garden Sprays
 - Paint or Varnish
 - Paint or Varnish Removers
 - Butane / Propane / Gasoline (garden equipment)
 - Signal Flares
 - Charcoal Briquettes
 - Other Fuels / Oils / Lubricants / Antifreeze
- E. COMPRESSED GASSES
 - Aerosol cans
 - Fire extinguishers
 - Scuba diving tanks
- F. OTHER MATERIALS
 - Live plants and animals
 - Perishable goods or materials
 - Pharmaceuticals / Controlled Substances

SOUTH BEACH HARBOR RULES AND REGULATIONS

ATTACHMENT B

Section 1 - DEFINITIONS

Whenever any of the words hereinafter defined are used in these Rules and Regulations, they shall mean the following

"The Agency" shall mean the Redevelopment Agency of the City and County of San Francisco.

"The Harbor" shall mean the boat berthing facilities built and operated by the Agency easterly of the Embarcadero between Pier 40 and China Basin, also known as South Beach Harbor.

"Harbor Master" shall mean the Harbor Master of the South Beach Harbor.

"License" shall mean the Exclusive License To Use Berthing Space between the Agency and an Owner.

"Owner" shall mean an individual to whom a berth has been assigned in the Harbor pursuant to a License or a Temporary License.

"Temporary License" shall mean an exclusive license to use berthing space in the Harbor for a period of less than thirty (30) days.

"Waiting List" shall mean the list maintained by the Harbor Master of Owners who have applied for Licenses in the Harbor. Except as may result from the circumstances set forth in Section 3 E.2. hereof, the Waiting List shall rank Owners in the chronological order of receipt of their respective applications. Upon execution of a License, an Owner shall be removed from the Waiting List.

Section 2 – HARBOR MASTER: AUTHORITY

The Harbor Master, acting under the orders and supervision of the Executive Director of the Agency, shall have full authority in the interpretation and enforcement of all Rules and Regulations pertaining to the Harbor, and all orders given by him in the performance of his duties must be obeyed. Every boat entering the Harbor shall immediately become subject to the authority and direction of the Harbor Master.

Section 3 - MOORING

No boat shall be permitted to occupy berthing space in the Harbor other than pursuant to a License or to a Temporary License.

Applications for both Licenses and Temporary Licenses in the Harbor shall be made to the Harbor Master on the forms furnished by the Harbor Master. Within the areas in the Harbor set aside for each type of license, berth assignments will be made in the order in which an Owner appears on the Waiting List, based on the availability of berths for size of the boat to be accommodated. Each boat shall be berthed in the space assigned of berths by the Harbor Master pursuant to the applicable License or Temporary License. No exchanges of berths between Owners will be permitted without the prior written approval of the Harbor Master.

D. Except as set forth in Subsection (1), below, a License may only be granted and subsequently renewed to an Owner who can provide evidence satisfactory to the Harbor Master that he or she is the legal owner of the boat that is sought to be berthed in the Harbor. Licenses are not transferable upon any sale, exchange or other transfer of any interest in a boat berthed in the Harbor, and any such sale, exchange or other transfer of any interest in a boat berthed in the Harbor pursuant to a license must be reported to the Harbor Master within 30 days of such conveyance.

Licenses, in an aggregate amount not to exceed 15 in effect in the Harbor at any one time, may be granted to bona fide ship brokers who can provide evidence satisfactory to the Harbor Master that they have the legal right to possession of each boat that they seek to berth in the Harbor.

E. The sale of a boat berthed in the Harbor pursuant to a License shall result in that boat being removed from the assigned berth. The Owner may choose to terminate the License in accordance with its terms. In lieu thereof the following shall apply:

The Owner may, with the written permission of the Harbor Master, retain the assigned berth for another boat owned by the Owner provided that such boat is within the size classification of the assigned berth; or 2. If the Owner owns another boat which he or she desires to berth in the Harbor which is not within the size classification of the assigned berth and if there is berthing space then available in the Harbor for boats of the space classification of such other boat, the Harbor Master shall agree to an amendment of the applicable License to substitute the new berth and the other boat at the appropriate monthly license fee. If there is not berthing space then available in the Harbor for boats of the size classification of the other boat, the Owner may terminate his or her License in accordance with its terms, and, upon the effective date of such termination and at the request of such Owner, the Harbor Master shall place the Owner in a priority position on the Waiting List; or

3. Subject to the provisions of Subsection G., below, and to the Owner's performance of all terms and conditions of the License, including the timely payment of the monthly license fee, the Owner may leave the assigned berth vacant

4. Under no circumstances is the Owner's license transferable to the purchaser(s) of the Owner's boat.

F. An Owner who desires to temporarily vacate a berth he or she is using pursuant to a License for a period of six (6) months or less, may, subject to the prior written approval of the Harbor Master and upon such conditions as the Harbor Master may deem appropriate in the circumstances, allow said berth to be used by another person for the mooring of a boat within the size classification of the berth. The Owner's License shall continue in full force and effect and the Owner shall continue to be fully responsible for performance of all of the terms and conditions thereof. At the expiration of the approved temporary period of use of the assigned berth by the other person, the Owner shall immediately cause the other boat to be removed from the Harbor. The License of any Owner who fails to strictly comply with the provisions of this Subsection F. shall be terminated

G. Unless such absence is approved in advance in writing by the Harbor Master, the License of an Owner who occupies his or her assigned berth with his or her own boat for an aggregate of less than six (6) months in any twelve (12) month period shall not be renewed.

H. The Harbor Master shall have the authority to remove from, or relocate within the Harbor, any boat berthed therein if such removal or relocation is required for the safety or protection of persons or property

I. Notwithstanding any other provision of these Rules and Regulations, mooring of a boat which is of a greater size than the size classification of the applicable berth shall not be permitted. The Harbor Master is authorized to remove and/or secure any boat in the Harbor which is berthed in violation of these Rules and Regulations.

Section 4 - MOORING CHARGES

A. Charges for all berths shall be in accordance with the schedule of license fees adopted by the Agency

B. The first month's license fee plus a security, deposit equal to one month's license fee shall be paid upon assignment of a berth pursuant to a License. At the time of termination of the License and the vacation of the assigned berth, such deposit shall be applied against any unpaid license fee or other charges owing to the Agency and the balance of the deposit shall be refunded to the Owner.

C. All fees for use of berthing space pursuant to a License are due and payable monthly in advance on the first day of each month.

D. The timeliness of an Owner's payment of monthly license fees pursuant to a License shall be considered by the Harbor Master in determining whether or not to renew a License.

E. The full amount of the applicable license fee shall be paid upon assignment of a berth pursuant to a Temporary License. The vacation of a berth occupied pursuant to a Temporary License prior to the expiration of the term set forth therein shall not entitle the person paying the fee to any rebate or refund.

Section 5 -- NON-PAYMENT OF CHARGES

A. No person shall remove or cause to be removed from the Harbor any boat in regard to which license fees or any other proper charges are delinquent, without paying all such delinquent charges.

B. The Agency and the Harbor Master are authorized to do all things necessary to prevent the unauthorized removal of a boat to avoid payment of license fees or other charges, including moving, securing or otherwise fastening the vessel

C. In accordance with the provisions of Division 3, Chapter 2, of the Harbors and Navigation Code of the State of California, license fees or other charges for service are liens upon a boat. When these are delinquent, an action may be brought against the Owner to enforce payment of the lien by the Agency, and the boat with all its appurtenances and furnishings may be attached as security for the satisfaction of any judgment that may be recovered in the action

If the attachment is not discharged, a judgment is recovered, and an execution is issued thereon, the vessel and all of its appurtenances and furnishings shall be sold at public auction and the proceeds applied in accordance with the above provisions of the Harbors and Navigation Code.

Section 6 -- VACATION OF ASSIGNED FACILITIES

The Harbor Master shall be notified in writing of the exact date of vacation of a berth assigned pursuant to a License or to a Temporary License, and such vacation shall be in accordance with the terms of said License or Temporary License.

Section 7 -- DISPOSING OF REFUSE

A. No person shall throw, discharge or deposit from any vessel or from the shore or float or otherwise any refuse matter of any kind whatsoever into or upon the waters of the Harbor, or in, on or upon the banks, walls, or walkways of any waters within the boundaries of the Harbor or in adjacent areas

B. No person shall dump or discharge oil, spirits, inflammable liquid or contaminated bilge water into the Harbor.

C. All garbage must be deposited in receptacles furnished for that purpose, or removed from the Harbor area

Section 8 -- HAZARDOUS OBSTRUCTIONS PROHIBITED: BOARDING PLATFORMS

Floats, gangways, top of lockers and docks shall be kept clear at all times, of skiffs, tenders, miscellaneous gear debris or other hazardous obstructions.

Any condition aboard or around any boat, float, or gang plank caused by the Owner, which, in the opinion of the Harbor Master constitutes a fire hazard, health menace, or danger to public safety, shall be corrected or removed immediately to the satisfaction of the Harbor Master. In the event of the refusal or neglect of the Owner to remedy forthwith the aforesaid condition when reported to him or her, the Harbor Master may do so at the expense of said Owner.

Boating platforms or ladders on floats shall be permitted, subject to the approval of the Harbor Master, provided that any platform used for boarding shall not be over eighteen (18) inches in width and three (3) feet high, and shall be of lightweight construction. The platform shall not be used as a storage locker.

D. No person shall build or place in or about the Harbor, any structures, such as walkways, gangplanks, finger floats, rubbing piles, dock boxes, etc. without prior written approval of the Harbor Master.

E. No Dock Boxes (Gear Lockers) are permitted other than those supplied by the Agency.

Section 9 -- USE OF WATER AND ELECTRICITY

A. Charges for water and electricity under normal usage are included in license fees.

B. Continuous use of water for siphoning is prohibited.

C. Excessive use of electricity for heating, cooling, and other purposes is prohibited. If the Harbor Master is of the opinion that there is excessive use of electricity by a berthholder, he may attach a meter to the outlet for measuring actual consumption. Electrical consumption in excess of the then current average usage as determined by the Harbor Master shall be charged to the Owner.

Section 10 -- MAINTENANCE OF FACILITIES

Repairs to and maintenance of a boat may be made or accomplished while such boat is at its berth, provided all such work is done within the confines of the boat itself and is not carried on in any manner whatsoever upon floats, gangways or docks. All materials used in such repair or maintenance work must also be kept within the confines of the boat and may not be kept upon floats, gangways or docks. Spray painting is not permitted in the Harbor

Section 11 -- EMERGENCY PUMPING

If, in the opinion of the Harbor Master, a boat is in danger of sinking due to the accumulation of water in it, he may pump out water from the boat and the cost of this emergency service shall be charged to the Owner.

Section 12 -- UNNECESSARY DISTURBANCE

A. Outboard motors attached to any boats must be equipped with U.S. Coast Guard approved mufflers

B. The Owner of a boat is responsible for the conduct and action of its crew and guests and unnecessary noise, loud talking, playing of musical instruments and loud television, radio or stereo is prohibited from 11:00 P.M. to 7:00 A.M. Violation of this rule shall be a breach of the applicable License or Temporary License.

Section 13 -- VESSEL TRAFFIC WITHIN THE HARBOR

A. All boats approaching or within the Harbor must be operated in a safe and prudent manner and in no event shall the entrance to the Harbor be blocked by general boating activities or fishing.

B. The speed of any boat within the Harbor shall not exceed five (5) knots, except under emergency conditions

C. The Harbor shall not be used for the movement of any boats except for the purpose of entering or leaving a berth and necessary maneuvering in connection therewith.

Section 14 -- SWIMMING IN HARBOR PROHIBITED

It shall be unlawful for any person to swim, bathe, or wade in any portion of the Harbor; provided, however, this section shall not prevent an Owner from working on his boat under water.

Section 15 -- LODGINGS

It shall be unlawful for any person to reside on any boat berthed in the Harbor. This prohibition against residing on boats shall not prevent the use of boats in the harbor for eating and sleeping purposes for a period not to exceed seventy-two (72) hours in any seven-day period provided, however, that the Owner shall so notify the Harbor Master in advance in writing. Such use shall be subject to the requirements and limitations of Section 16 following.

Section 16 -- SEWAGE AND SANITARY FACILITIES

It shall be unlawful for any person to discharge sewage in the waters of the Harbor.
No person shall operate or berth in the Harbor or berth in the Harbor any boat equipped with a toilet unless such toilet is sealed or otherwise rendered inoperable or designed so that no human excreta can be discharged into the waters of the Harbor.

Section 17 -- MINORS IN HARBOR

It shall be unlawful for any person under the age of sixteen (16) years to go, remain, or be upon any of the gangways, floats or boat in the Harbor, unless such person is accompanied by an adult, or unless such person has the written permission of the Owner of any boat located at the Harbor to go upon such boat.

Section 18 -- FISHING IN HARBOR PROHIBITED

Fishing and crabbing and cleaning of fish on gangplanks, boats and floats is prohibited within the Harbor.

All fish caught outside the Harbor must be disposed of within twenty four (24) hours from the time of catching. No person shall throw fish overboard at the dock or from a boat.

Section 19 -- DAMAGE TO PROPERTY

The Owner of a boat assumes all liability for loss and damage to his or her property of any kind while it is within the limits of the boundary of the Harbor. The Agency assumes no risk or liability on account of fire, theft, acts of God, or damage of any nature to boat or its contents.

Section 20 -- SOLICITATION, ADVERTISING, AND SIGNS

Solicitation of patronage in the Harbor, without a permit from the Harbor Master, is prohibited.

No person shall row, propel, navigate or maintain any boat or float in the Harbor for the purpose of advertising, without first having received a permit from the Harbor Master for such purposes.

C. No signs of any kind or description shall be posted on piles, gangplanks or floats without receiving prior approval from the Harbor Master.

D. No sign advertising commercial use of a boat shall be displayed on any boat, float, dock or other structure. Properly licensed commercial boats operating from the Harbor may have the boat's name and telephone number displayed on the boat in an area no larger than fourteen inches by thirty-six inches in two locations.

E. Other signs, such as "for sale" signs, on privately owned boats may not exceed three square feet.

Section 21 -- MAINTENANCE AND CARE IN BERTHING, ANCHORING OR MOORING BOATS

A. All boats shall be berthed and secured with proper care and equipment, and such berthing or equipment shall be maintained at all times in such condition as to meet with the approval of the Harbor Master.

B. In the event that boats are not so maintained, the Harbor Master may supply lines and fittings, or replace inadequate lines and fittings, or may care for the boat in such a manner as to prevent damages to it or docks. A charge for this service and for any lines, fittings and materials supplied shall be made, and payment shall be made at the end of each month. Any lines, fittings and materials used and supplied by the Harbor Master to protect boats are not returnable.

C. No person shall bring into, moor or berth within the Harbor any boat of any kind whatsoever which is so unseaworthy or in such badly deteriorated condition that it may cause damage to docks, floats or other boats or which may become a menace to navigation, except in cases of extreme emergency in which case the Owner will be liable for any damages caused by such boat.

The Harbor Master shall be the sole judge as to the condition of the boat, for the purposes of this section.

D. In the event a boat or other craft is wrecked or sunk within the Harbor, it shall be the owner's responsibility to mark its position and provide for the raising and disposition of such boat or craft and assume all liability for damage to Agency property or other boats in the Harbor.

E. Small tenders and row boats are permitted to be moored, if kept by and for the use of the Owner and berthed within the limits of the berth assigned pursuant to a License or Temporary License.

Section 22 -- COMPLIANCE WITH FEDERAL, STATE, AND LOCAL RULES AND REGULATIONS

All persons using the Harbor shall comply with all rules and regulations adopted by the United States of America, State of California, and local agencies with regard to water safety requirements, land operation and maintenance of boats. The Harbor Master is authorized to enforce all said rules and regulations and to deny use of the facilities at the Harbor for violation of said rules and regulations.

Section 23 -- VIOLATION OF RULES AND REGULATIONS

- A. An applicant for a berth assignment agrees by his/her signature on the application form, to comply with these Rules and Regulations.
- B. The Harbor Master shall have the right to deny the use of the Harbor and to terminate the License or Temporary License and require removal of any boat of any Owner, who in the opinion of the Harbor Master, fails to comply with the Rules and Regulations for the operation of the Harbor.

Section 24 -- REGISTRATION AND NUMBERING: FURNISHING INFORMATION TO THE HARBOR MASTER

- A. Every undocumented vessel entering the Harbor must be registered and numbered as provided by the laws of the State of California.
- B. The owners of vessels entering the Harbor shall furnish all information relating to the vessel and the ownership thereof as may reasonably be required by the Harbor Master.

Section 25 -- ACCIDENT REPORTS

- A duplicate copy of any report of any accident occurring in the Harbor involving any one or more boats shall immediately be filed with the Harbor Master.

Section 26 -- PETS

- A. Dogs and other pets must be leashed or otherwise controlled while on docks, floats or other public areas
- B. Pet owners must remove their pet's excrement from docks, floats or other public areas

Section 27 - PARKING REGULATIONS

- A. Parking permits will be issued to Owners or other authorized persons to park in designated parking areas while they are at the Harbor or using their boat during the term of the License.
- B. Upon application of the Owner, up to two permits may be issued per License. A permit may be issued to the Owner, a co-owner or the spouse of either for use with a vehicle registered in that person's name. A permit may also be issued for use with multiple vehicles owned by such persons provided that the vehicles are all registered with the Harbor Master and identified on the permit.
- C. Temporary permits may be issued to contractors, workers, guests, crew or visitors of Owner for limited time periods contingent upon the Harbor Master's assessment of space availability.
- D. Replacement permits will be issued when, in the opinion of the Harbor Master, a good and valid reason exists. The previous permit will be invalidated when a replacement permit is issued.
- E. Permits registered to a single vehicle are to be affixed to the left side of the rear bumper. Multiple vehicle permits are placards provided by the Harbor Master on which all vehicles registered under that permit are listed. The placard must be clearly visible from outside the vehicle and placed on the front dashboard.
- F. Vehicles parked in designated parking areas without valid permits or otherwise in violation of these regulations will be subject to parking violation citation and/or removal of the vehicle and any charges or fines will be the responsibility of the vehicle owner.

The Harbor Master may limit the use of designated parking areas further if it is deemed necessary and may invalidate any permit upon the failure of the permittee to comply with these regulations.

- H. Neither South Beach Harbor nor the Agency assume any responsibility for the safekeeping of vehicles, or any liability for theft or damage by third persons, by virtue of these parking regulations.

Section 28 -- COMMERCIAL CHARTER AND TOUR VESSELS

Definitions: Operator means the business operator holding a Commercial License to do business at South Beach Harbor

A. Reservations must be made in advance at the Harbor Office for specific vessel arrival and departure times. Reservations will be confirmed or denied at the time they are requested on a first come, first served basis and depending upon space available for the type of vessel being requested.

B. Charters, parties, seminars, meetings, receptions, or other events are not permitted at dock-side.

C. The vessel must be scheduled to arrive in the Harbor as soon before scheduled boarding as is practical and be scheduled to depart as soon after an expeditious boarding process can be completed. The same is required for debarking.

D. Vessels must arrive no sooner than 30 minutes prior to a reserved arrival time and depart no later than 30 minutes after a reserved departure time.

E. Vessels will not be permitted to arrive after 2400 hours.

F. Depending upon space being available, vessels arriving at the Harbor without advanced reservations may be accommodated or turned away at the discretion of the Harbormaster.

G. A vessel may tie up only in the berth or space designated by the Harbormaster.

H. Vessels must tie up at least 15 feet away from the waste pump-out stations except during a period in which that vessel is pumping waste, unless otherwise directed by the Harbormaster.

I. Service of alcoholic beverages is not permitted while the vessel is in the Harbor basin.

J. Public address or other sound amplification systems may not be used inside the Harbor basin except for purposes of announcements made by the vessel's crew pertaining to passenger safety.

K. The Operator's employees are responsible for the marshalling necessary to assist passengers embarking and debarking in a safe, orderly, and expeditious manner including their passage between the vessel and the shore.

L. The Operator is responsible to inform the vessel's crew and its other representatives dealing with the public about current shoreside parking regulations at the Harbor and communicate these in timely fashion to all passengers.

M. Passengers must be boarded and debarked without any delay for checking manifests, collecting fees, selling or distributing merchandise, taking photographs or other procedures which cause congestion on the floating piers.

N. Any trash or refuse taken off the vessel must be placed in one of the multi-cubic yard dumpsters available on shore. Nothing pertaining to the vessel or its equipment or anything taken off the vessel may be left at the Harbor upon the vessel's departure.

Notwithstanding Operator's compliance with any or all of the above Rules, any Operator business practices or negligence which lead to numerous and widespread customer complaints or violation of safety and business practice regulations governing the Operator's business may be cause for a finding by the Harbormaster that the Operator's business practices and/or negligence reflects negatively on South Beach Harbor and is just cause for termination of Operator's Commercial License to use the Harbor.

Rules and Regulations

ATTACHMENT C
South Beach Harbor
Port of San Francisco
BERTHING LICENSE AGREEMENT

ACCOUNT NO. _____

PLEASE PRINT

Owner Licensee		Boat Name		No. CF USCG Document(s)	
Residence Address		Length	Beam	Draft	
Home Phone		Hull Material		Power	Sail
Email address		Color Hull		Radio Call	
Business Address	Business Phone	Gas	Diesel	Owner's Auto Lic. No.	
Partnership Name (if any)		Insurance Carrier		Parking Permit (if any)	
Emergency Contact Name, Address and Phone		Insurance Agent Name, Address and Phone		Locker No. (if any)	

Commencement Date: _____

Expiration Date: _____

Initial berth assignment _____

This license agreement ("License") is by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City"), operating by and through the SAN FRANCISCO PORT COMMISSION ("Port"), as licensor and the individual named as the "Owner" above as Licensee ("Licensee").

Terms not defined herein have the meaning provided in the South Beach Harbor Rules and Regulations ("Rules and Regulations") attached hereto as *Exhibit A*.

TERMS AND CONDITIONS

1. GRANT OF LICENSE; TERMINATION. In consideration of the terms and conditions stated in this License, Port hereby grants permission to Licensee to berth the vessel listed above at the initial berth location indicated or another berth location directed by the Harbormaster. In connection with the berthing activity allowed under this License, Licensee may also apply for an annual permit to park a vehicle in a designated parking area at the Harbor and/or use of a storage

locker in the Pier 40 Shed building ("Locker"). If the Harbormaster issues a parking permit to Licensee or allows the use of a Locker as provided in the attached addendum, if any, such uses are subject to all the terms and conditions of this License. All uses are subject to the attached Rules and Regulations and as further directed and authorized by the Harbormaster. This License is a revocable, personal, non-assignable, and non-possessory privilege to enter and use the Harbor for the permitted activities only on a temporary basis that commences on the Commencement Date and expires on the Expiration Date specified above ("Term") unless sooner terminated or extended pursuant to the terms of this License. Except as provided in Section 12, Port will give thirty (30) days' prior written notice to terminate this License.

This License is personal to Licensee and any attempt to Transfer this License without Port's prior express written consent shall render this License void. See Section xx of the Rules and Regulations.

Licensee agrees for itself and its Invitees to comply with the Rules and Regulations which are hereby incorporated, and any amendment thereto. Licensee agrees that Port's exercise of its rights regarding the Harbor and other Port property in the vicinity of the Harbor will not entitle Licensee to any abatement or diminution of Fees.

Without limiting any of Port's rights hereunder, Licensee agrees and acknowledges that Port may, in its sole and absolute discretion, revoke or terminate this License at any time prior to the Expiration Date, without cause and without obligation to pay any consideration to Licensee.

If Licensee is an owner of a vessel owned by a Partnership, Licensee agrees that it is agent of the other partners, has the authority to bind the other partners and that each owner of the vessel shall be jointly and severally liable to Port for all obligations and liabilities under this License.

2. TERM. This License shall commence on the Commencement Date shown above and shall continue for five (5) years until the Expiration Date, unless earlier terminated. This License may be renewed at the Harbormaster's option for successive five (5) year periods in accordance with the following: Licensee must give the Harbormaster written notice that it wishes to extend its License for a five (5) year period no later than thirty (30) days prior to the Expiration Date and submit a current Statement of Ownership, current proof of insurance and any other information requested by the Harbormaster. The Harbormaster will accept or reject an extension of the term for an additional five (5) years in writing within ten (10) days. If an extension is granted, the Licensee shall execute a new License for the same berth on terms and conditions determined by Port. If the License is not extended, it will automatically terminate as of the Expiration Date.

3. FEES. Licensee agrees to pay to Port the Fees set forth in the Rules and Regulations and the Fee Schedule as applicable to Licensee's activities.

Berthing Fees and Locker Fees (if any) are due in advance on the first day of each calendar month. Fees are delinquent if not received on the 15th day of each month. s.

Parking Fees are due in advance upon issuance of a parking permit. Other Fees shall be due in accordance with the Fee Schedule.

Licensee acknowledges that late payment will cause Port increased costs not contemplated by this License, the exact amount of which will be extremely difficult to ascertain. Accordingly, if Licensee fails to pay Fees on the date due, such failure shall be subject to a ten percent (10%) late charge. Without limiting any of its rights, Port may increase any Fee from time to time by adopting a new Fee Schedule for the Harbor. All sums payable by Licensee to Port hereunder shall be paid in cash or by good check to the Port and delivered to Port's address specified in Section xxx of the Rules and Regulations or such other place as Port may designate in writing.

4. SECURITY DEPOSIT. Prior to the Commencement Date, Licensee shall provide to Port a security deposit in an amount equal to one months' berthing Fee as security for Licensee's faithful performance of its obligations under this License. Licensee agrees that Port may apply

the security deposit to (a) pay any sum due to Port under this License, (b) compensate Port for any damage to the Harbor caused by Licensee or its Invitees, or (c) cure any default or failure to comply by Licensee. If Port uses any portion of the security deposit, Licensee shall replenish the security deposit to the original amount within twenty-four (24) hours of Port's notice of the amount due. Port's obligation with respect to the security deposit is solely that of debtor and not trustee. Licensee shall not be entitled to any interest on such security deposit and Port shall not be required to keep the security deposit separate from its general funds. Nothing contained in this section shall in any way diminish or be construed as waiving any of Port's remedies under this License or provided by law or equity.

Licensee waives the provisions of California Civil Code Section 1950.7 and/or any successor statute, and expressly agrees that Port may apply the security deposit in payment of sums reasonably necessary to compensate Port for other loss or damage, foreseeable or unforeseeable, caused by an act or omission of Licensee or any Invitee of Licensee, and that following a default by Licensee, the security deposit may be retained by Port and applied to future damages pending determination of the same. If Licensee is not in default at the expiration or termination of this License, Port shall return the unused balance of the security deposit to Licensee after Licensee vacates the Harbor.

5. FAILURE TO USE VESSEL. Licensee must take his or her vessel out of the Harbor at least ten (10) times per year.

6. MARITIME LIEN. In accordance with Division 3, Chapter 2 (§490 et. seq.) of the California Harbors and Navigation Code, outstanding charges for berthing Fees or other harbor services constitute a lien upon a vessel. Port may foreclose its maritime lien, including selling the vessel at a public auction in accordance with the provisions of the Rules and Regulations or as otherwise provided by Law.

7. NO BAILMENT. This License is for use of assigned dockage space and associated Harbor facilities including designated parking areas if permitted under a parking permit. This License does not create a bailment of the vessel its equipment or personal effects or of any vehicle. If at any time keys are left with the Harbor Office for the convenience of Licensee, Licensee agrees that such will not constitute the assumption of a bailee relationship by Port.

8. COMPLIANCE WITH LAWS. Licensee shall comply with all Laws relating to or affecting the condition and use of its vessel and the Harbor. Licensee shall comply with the City Requirements listed in *Exhibit B*, which are hereby incorporated, to the extent that such ordinances are applicable. Licensee understands and agrees that its failure to comply with such City Requirements shall be a material breach of this License and may give rise to penalties under the applicable ordinance.

9. CONDITION OF BERTH AND FACILITIES. Licensee acknowledges that Licensee has inspected the assigned berth space and is satisfied that such facilities are adequate for the safe and secure dockage of Licensee's vessel and use. Licensee shall immediately notify the Harbormaster of any observed dangerous condition requiring attention by the Port. Licensee shall not alter docks, pilings or any Harbor facilities. There is no warranty of any kind as to the condition of the berths, floats, dock boxes, Lockers, walks, gangways, ramps or mooring gear, or any other part of the Harbor and Licensee accepts the berth space in its "As Is" condition and as being suitable for the conduct of Licensee's activity thereon.

10. WAIVER, INDEMNIFICATION AND ASSUMPTION OF RISK. Licensee, as a material part of the consideration to be rendered to Port, acknowledges and agrees that Harbor facilities are used at the user's sole risk, and that Port shall not be responsible for or liable to Licensee or Licensee's Invitees for loss or damage to any property, including vehicles or vessels, in or about the Harbor from any cause whatsoever. Accordingly, to the fullest extent allowed by law, Licensee hereby waives all rights against the City and County of San Francisco, the San Francisco Port Commission and its officers, employees and agents (collectively, "**City Parties**"), and releases the

City Parties from any and all losses relating to any injury, accident or death of any person or theft, loss or damage to any property, including vehicles or vessels, in or about the Harbor from any cause whatsoever. The City Parties shall not be liable under any circumstances for any consequential, incidental or punitive damages.

Licensee agrees to hold harmless, indemnify, and if requested, defend, the City Parties, from any and all liabilities, injuries, losses, costs, claims, judgments, settlements, damages, liens, fines, penalties and expenses, including without limitation, direct and vicarious liability of any kind (collectively, "Claims") arising directly or indirectly arising out of (a) any injury to or death of any person, including but not limited to Licensee's Invitees, or damage to or destruction of any property occurring in, on or about the Harbor, or any part thereof, or the approaches thereto from any cause whatsoever, (b) any failure by Licensee or its Invitees in the observance or performance of any of the terms, covenants or conditions of this License, or (c) the use, occupancy or condition of the Harbor or the activities therein or the approaches thereto by Licensee or Licensee's Invitees. This Indemnity shall be enforceable regardless of the active, concurrent or passive negligence of any of the City Parties, and regardless of whether liability without fault is imposed or sought to be imposed on any of the City Parties. This Indemnity shall be enforceable except to the extent that such Indemnity is void or otherwise unenforceable under applicable law in effect on, or validly retroactive to, the date of this License. This Indemnity shall exclude Claims resulting solely and exclusively from the willful misconduct of the City Parties which is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Licensee or Licensee's Invitees. The foregoing provision is an allocation of risks whereby Licensee agrees to look solely to Licensee's own insurer as to risks associated with use of the Harbor and its berthing and other facilities.

The foregoing obligation of Licensee includes indemnification from all loss and liability, including attorneys' and consultants' fees, court costs, investigation and remediation costs, all other reasonable costs and expenses incurred by the City Parties, damages for decrease in the value of the Harbor, and Claims for damages or decreases in the value of adjoining property. The provisions of this Section shall survive the expiration or earlier termination of this License.

Licensee understands and expressly accepts and assumes the risk that any facts concerning any and all Claims released in this License might be found later to be other than or different from the facts now believed to be true, and agrees that the releases in this License shall remain effective. Therefore, with respect to all Claims released in this License, Licensee waives any rights or benefits provided by Section 1542 of the Civil Code, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Licensee specifically acknowledges and confirms the validity of the release made above and the fact that Licensee was represented by counsel who explained the consequences of the release at the time this License agreement was made, or that Licensee had the opportunity to consult with counsel, but declined to do so.

Initials: Licensee: _____

11. INSURANCE.

Licensee shall maintain throughout the Term, at Licensee's expense, a minimum coverage of Five Hundred Thousand (\$500,000) marine liability and Five Hundred Thousand (\$500,000) vessel pollution liability, including hull replacement and general liability. Hull value will be based on the National Automobile Dealers Association (NADA) or similar for the marine industry. The policy shall be in form and substance satisfactory to the Harbormaster and shall be

placed with responsible underwriters, which have an assigned policyholder's rating of A (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of the "Best's Key Rating Guide", and which are currently authorized by the Insurance Commissioner to transact business in the State of California.

The policy must contain a cross-liability clause, shall name as additional insureds by written endorsement the "CITY AND COUNTY OF SAN FRANCISCO AND THE SAN FRANCISCO PORT COMMISSION AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS," shall be primary and non-contributory to any other insurance available to the additional insureds with respect to claims arising under this License, and shall provide that such insurance applies separately to each insured against whom complaint is made or suit is brought except with respect to the limits of the company's liability.

Licensee shall deliver certificates of insurance, additional insured policy endorsements and waiver of subrogation endorsements in a form satisfactory to and at the direction of the Harbormaster using EXIGIS or another internet-based insurance compliance tracking system as directed by the Harbormaster on or before the Commencement Date, and upon renewal of each policy not less than thirty (30) days before expiration of the term of the policy. Licensee shall, upon Port's request, promptly furnish Port with a complete copy of any insurance policy required hereunder.

Licensee shall also maintain, at Licensee's expense, any additional insurance coverage which in Licensee's own judgment may be necessary for vessel's protection.

Notwithstanding anything to the contrary contained herein, Port and Licensee (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to this License, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this License or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Harbor; provided, the failure to obtain any such endorsement shall not affect the above waiver.

12. DEFAULT; TERMINATION.

A. **Curable Default.** The occurrence of any one or more of the following events shall constitute a default by Licensee. Upon Licensee's failure to cure during the cure period indicated below, this License shall terminate and Licensee shall immediately vacate and discontinue its use of the Harbor.

(1) Failure by Licensee to pay any Fees and/or all other charges due hereunder within three (3) calendar days after written notice to cure, or

(2) Failure to comply with any other provision of this License including the Rules and Regulations within seven (7) calendar days of notice in writing by the Harbormaster of such non-compliance, including failure to provide adequate proof of insurance in the amounts required by this License.

B. **Automatic Termination.** The occurrence of any one or more of the following events shall constitute a default by Licensee upon which this License shall terminate without an opportunity to cure or prior notice by Port. The Harbormaster will provide the Licensee prompt written notice of such termination and Licensee shall immediately vacate and discontinue its use of the Harbor.

(1) Without the prior written consent of Port, a Transfer of this License by Licensee;

(2) A series of changes to a Partnership that results in no original partners remaining on the Statement of Ownership.

(3) Unless authorized by the Harbormaster in accordance with Section xx of the Rules and Regulation, absence from the Harbor for six (6) consecutive months:

(4) Failure to take vessel out of the Harbor at least ten (10) times per year;

(5) When, in the Harbormaster's sole discretion, a default of this License poses a threat to health and/or safety or is incapable of cure such as a discharge of waste;

(6) Delinquent payment of Fees after becoming a "habitual late payer" as defined in the Rules and Regulations; or

(7) Failure to return from temporary suspension within the required period; or

(8) Either (i) the failure of Licensee to pay its debts as they become due, the written admission of Licensee of its inability to pay its debts, or a general assignment by Licensee for the benefit of creditors; or (ii) the filing by or against Licensee of any action seeking reorganization, arrangement, liquidation, or other relief under any Law relating to bankruptcy, insolvency, or reorganization or seeking the appointment of a trustee, receiver or liquidator of Licensee's or any substantial part of Licensee's assets; or (iii) the attachment, execution or other judicial seizure of substantially all of Licensee's interest in this License.

13. PORT'S REMEDIES UPON TERMINATION OR EXPIRATION. Upon expiration of the Term, Licensee's default and failure to cure during the cure period, if any, or automatic termination, this License shall terminate and Licensee shall immediately vacate and discontinue its use of the Harbor and Port may take any and all action to enforce Licensee's obligations. Licensee shall indemnify Port from and against any and all loss or liability resulting from Licensee's delay in vacating the Harbor.

If Licensee does not remove his or her vessel immediately upon termination or expiration without timely renewal of this License, no new license is created or shall be implied and the daily Transient Fee shall apply.

Port shall have the following remedies in its sole discretion: (i) remove the vessel to a location within or outside the Harbor, in which case Licensee shall be liable for costs of storage and other costs incurred by Port; and/or (ii) commence the attachment and auction process under the California Harbors and Navigation Code and Section xx of the Rule and Regulations.

If Licensee's vessel is moved whether within or outside the Harbor, as to such relocation and during the period of storage and final disposition, all indemnity and exculpatory clauses of this License pertaining to Licensee and the vessel, including but not limited to Sections 10 and 20, shall continue in effect and inure to the benefit of Port and its agents.

Without any prior notice, Port may elect to retain or dispose of Licensee's personal property, other than his or her vessel and any other property not subject to a maritime lien, that Licensee does not remove from the Harbor prior to the expiration or earlier termination of this License. These items shall be deemed abandoned. Port may retain, store, remove, and sell or otherwise dispose of abandoned property, and Licensee waives all Claims against Port for any damages resulting from Port's retention, removal and disposition of such property; provided, however, that Licensee shall be liable to Port for all costs incurred in storing, removing and disposing of abandoned property and repairing any damage to the Harbor resulting from such removal. Licensee agrees that Port may elect to sell abandoned property and offset against the sales proceeds Port's storage, removal, and disposition costs without notice to Licensee. Licensee hereby waives the benefits of California Civil Code Section 1993 et seq., to the extent applicable.

14. TEMPORARY SUSPENSION. Licensee may request a temporary suspension of this License for a period of not less than sixty (60) days and not more than six (6) months. During the period

of temporary suspension, the Licensee Fee shall be twenty-five percent (25%) of the Fee that is otherwise applicable. The full monthly Fee will be reinstated upon Licensee's return regardless of whether the Licensee returns in fewer than sixty (60) days. Licensee must remove all skiffs, kayaks, vessel lines, fenders, docks steps and all other appurtenance or equipment and, unless authorized in advance by the Harbormaster, all personal property from a dock box and Locker, if any, prior to the effective date of the temporary suspension. The Harbormaster may approve an extended temporary suspension for up to an additional six (6) months upon satisfactory documentation that Licensee is on an extended voyage.

If a vessel is destroyed by fire or other causes, upon documentation by Licensee, the Harbormaster may temporarily suspend the License for a period of up to ninety (90) days for Licensee to bring a replacement vessel of the same size into the berth assignment and continue to use the Harbor under this License as amended to include the replacement vessel. If Licensee fails bring a replacement vessel into the Harbor within the 90-day period, this License shall automatically terminate. If a vessel is destroyed during a period of temporary suspension requested by Licensee, upon documentation by Licensee, the Harbormaster may extend the original temporary extension period for up to ninety (90) days in order to allow Licensee to bring a replacement vessel into the Harbor.

Unless otherwise specified, all other provisions of this License and the Rules and Regulation will continue to apply during a temporary suspension.

15. TIME OF ESSENCE. Time is of the essence in performance of the obligations set forth in this License.

16. NO WAIVER. Failure to enforce any terms or conditions of this License shall not act as a waiver against enforcement of those same terms and conditions or any other provisions of this License.

17. REMEDIES CUMULATIVE; SEVERABILITY. All exhibits and schedules are incorporated in this License by reference. All remedies available under this License are cumulative and not exclusive. The terms and conditions of this License are independent and the failure of one or several shall not invalidate the entire License.

18. ENTIRE AGREEMENT. This License constitutes the entire agreement between the parties, and the terms and conditions cannot be varied except in writing signed by the parties. Licensee expressly agrees and acknowledges that no officer, director, or employee of Port or City is authorized to offer or promise, nor is Port or the City required to honor, any offered or promised concession, abatement, or any other form of monetary consideration without a written agreement executed by Port.

19. APPLICABLE LAWS. This License shall be construed and enforced according to the federal maritime laws of the United States and, where applicable, according to the laws of the State of California and the Charter of the City and County of San Francisco. Venue for any action shall be in the City and County of San Francisco.

20. NON-LIABILITY OF PORT OFFICIALS, EMPLOYEES AND AGENTS. No elective or appointive board, commission, member, officer, employee or other agent of Port shall be personally liable to Licensee, its successors and assigns, in the event of any default or breach by Port or for any amount which may become due to Licensee, its successors and assigns, or for any obligation of Port under this License or otherwise.

21. ATTORNEYS' FEES. If either party commences an action against the other or a dispute arises under this License, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of Port shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience notwithstanding Port's use of its own attorneys.

22. WAIVER OF RELOCATION. Licensee hereby waives any and all rights, benefits or privileges of the California Relocation Assistance Law, California Government Code §§ 7260 et seq., or under any similar law, statute or ordinance now or hereafter in effect, to the extent allowed under applicable Law.

23. MISCELLANEOUS PROVISIONS.

(a) This License has been negotiated at arm's length between persons sophisticated and knowledgeable in the matters addressed. In addition, each party has been represented by experienced and knowledgeable legal counsel, or has had the opportunity to consult with counsel. Accordingly, the provisions of this License must be construed as a whole according to their common meaning in order to achieve the intents and purposes of the parties, without any presumption (including a presumption under California Civil Code § 1654) against the party responsible for drafting any part of this License.

(b) Successors. The terms, covenants, agreements and conditions set forth in this License shall bind and inure to the benefit of Port and Licensee and, except as otherwise provided herein, their personal representatives and successors and assigns.

(c) Survival of Indemnities. Termination or expiration of this License shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this License, the ability to collect any sums due, nor shall it affect any provision of this License that expressly states it shall survive termination or expiration hereof.

(d) Relationship of the Parties. Port is not, and none of the provisions in this License shall be deemed to render Port, a partner in Licensee's business, or joint venturer or member in any joint enterprise with Licensee. Except as expressly provided in Section 3H of the Rules and Regulations, neither party shall act as the agent of the other party in any respect hereunder. This License does not create a relationship between Port and Licensee other than that of licensor and licensee. This License is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided.

24. NOTICES. All notices required under this License shall be provided in the manner specified in Section xx of the Rules and Regulations.

25. TERMINATION OF EXISTING LICENSE. Notwithstanding the provisions of any existing berthing agreement to which Licensee is a party to the contrary (the "Existing License"), if any, the Existing License shall terminate effective as of 12:00 midnight on the date immediately preceding the Commencement Date of this License; provided, however, that Licensee shall not be relieved of any of its obligations under the Existing License accruing prior to such termination of the Existing License and any indemnification and other obligations that survive expiration or termination of the Existing License shall survive such termination.

26. PUBLIC RECORD. This License is a public record subject to disclosure under the California Public Records Act. Please initial below if you wish to waive your privacy rights to the personal information contained in this License.

Yes, I authorize the Port to disclose my personal residence address, phone, and e-mail information listed in this form to any member of the public upon request.

Licensee: _____

I ACKNOWLEDGE THAT I HAVE READ AND UNDERSTOOD ALL THE TERMS AND CONDITIONS ON ALL PAGES OF THIS LICENSE AND AGREE TO THEM.

IN WITNESS WHEREOF. Port and Licensee have executed this License as of the last date set forth below

Licensee: _____
Print Name

Signature

Date signed: _____

Port: **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, operating by and through the **SAN FRANCISCO PORT COMMISSION**

By: _____
Joe Monroe
SBH Harbormaster

Date signed: _____

EXHIBIT A
SOUTH BEACH HARBOR RULES AND REGULATIONS

EXHIBIT B

CITY REQUIREMENTS

The San Francisco Municipal Codes (available at www.sfgov.org) and City Requirements referenced in this License are incorporated by reference as though fully set forth. The descriptions below are not comprehensive but are provided for notice purposes only. Capitalized terms used in this Section and not defined in this License shall have the meanings ascribed to them in the cited ordinance.

1. Nondiscrimination.

(a) Covenant Not to Discriminate. In the performance of this License, Licensee covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS HIV status), weight, height, association with members of classes protected under Chapters 12B or 12C of the Administrative Code or in retaliation for opposition to any practices forbidden under Chapters 12B or 12C of the Administrative Code against any employee of Licensee, any City employee working with Licensee, any applicant for employment with Licensee, or any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Licensee in the City and County of San Francisco.

(b) Penalties. Licensee understands that pursuant to Section 12B.2(h) of the Administrative Code, a penalty of \$50.00 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this License may be assessed against Licensee.

2. Prohibition of Tobacco Sales and Advertising. Licensee acknowledges and agrees that no sales or advertising of cigarettes, tobacco products or alcoholic beverages is allowed in the Harbor. This advertising prohibition includes the placement of the name of a company producing, selling or distributing cigarettes, tobacco products or alcoholic beverages or the name of any cigarette, tobacco products or alcoholic beverages in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local, nonprofit or other entity designed to (i) communicate the health hazards of cigarettes and tobacco products or alcoholic beverages, or (ii) encourage people not to smoke or to stop smoking or not to drink alcohol or to stop drinking alcohol, or (iii) provide or publicize drug or alcohol treatment or rehabilitation services. For purposes of this section, "alcoholic beverage" shall be defined as set forth in California Business and Professions Code Section 23004, and shall not include cleaning solutions, medical supplies and other products and substances not intended for drinking.

3. Restrictions on the Use of Pesticides. Licensee shall not use or apply or allow the use or application of any pesticides in the Harbor, and shall not contract with any party to provide pest abatement or control services to in the Harbor, without first receiving City's written approval of an integrated pest management ("IPM") plan that (i) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Licensee may need to apply during the Term of this License, (ii) describes the steps Licensee will take to meet the City's IPM Policy described in Section 300 of Chapter 3 of the Environment Code and (iii) identifies, by name, title, address and telephone number, an individual to act as the Licensee's primary IPM contact person with the City. Licensee shall comply, and shall require all of Licensee's contractors to comply, with the IPM plan approved by the City and shall comply with the requirements of Sections 300(d), 302, 304, 305(f), 305(g), and 306 of the IPM ordinance, as if Licensee were a City department..

4. Tropical Hardwood and Virgin Redwood Ban. Port and the City urge Licensee not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood product.

5. Preservative-Treated Wood Containing Arsenic. Licensee may not purchase preservative-treated wood products containing arsenic in the performance of this License unless such products are to be used for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

6. Conflicts of Interest. Through its execution of this License, Licensee acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the California Government Code, and certifies that it does not know of any facts which would constitute a violation of these provisions, and agrees that if Licensee becomes aware of any such fact during the Term, Licensee shall immediately notify the Port.

7. Food Service Waste Reduction Ordinance. Licensee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in Environment Code Chapter 16, including the provisions regarding the payment of liquidated damages for a breach of the ordinance.

ATTACHMENT C
South Beach Harbor
Port of San Francisco
TEMPORARY BERTHING LICENSE AGREEMENT

ACCOUNT NO. _____

PLEASE PRINT

Owner Licensee	Boat Name	No. CF USCG Documentation
Residence Address	Length	Beam
Home Phone	Hull Material	Power Sail
Email address	Color: Hull	Radio Call
Business Address	Business Phone	Gas Diesel
Partnership Name (if any)	Insurance Carrier	Owner's Auto Lic. No.
Emergency Contact Name, Address and Phone	Insurance Agent Name, Address and Phone	Parking Permit (if any)

Commencement Date: _____

Expiration Date: _____

Initial berth assignment _____

This license agreement ("License") is by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City"), operating by and through the SAN FRANCISCO PORT COMMISSION ("Port"), as licensor and the individual named as the "Owner" above as Licensee ("Licensee").

Terms not defined herein have the meaning provided in the South Beach Harbor Rules and Regulations ("Rules and Regulations") attached hereto as *Exhibit A*.

TERMS AND CONDITIONS

1. GRANT OF LICENSE; TERMINATION. In consideration of the terms and conditions stated in this License, Port hereby grants permission to Licensee to berth the vessel listed above at the initial berth location indicated or another berth location directed by the Harbormaster for a maximum period of up to six (6) months. In connection with the berthing activity allowed under this License, Licensee may also apply for a permit to park a vehicle in a designated parking area

at the Harbor. If the Harbormaster issues a parking permit to Licensee such use is subject to all the terms and conditions of this License. All uses are subject to the attached Rules and Regulations and as further directed and authorized by the Harbormaster. This License is a revocable, personal, non-assignable, and non-possessory privilege to enter and use the Harbor for the permitted activities only on a temporary basis that commences on the Commencement Date and expires on the Expiration Date specified above ("**Term**") unless sooner terminated or extended pursuant to the terms of this License.

This License is personal to Licensee and any attempt to Transfer this License without Port's prior express written consent shall render this License void. See Section xx of the Rules and Regulations.

Licensee agrees for itself and its Invitees to comply with the Rules and Regulations which are hereby incorporated, and any amendment thereto. Licensee agrees that Port's exercise of its rights regarding the Harbor and other Port property in the vicinity of the Harbor will not entitle Licensee to any abatement or diminution of Fees.

Without limiting any of Port's rights hereunder, Licensee agrees and acknowledges that Port may, in its sole and absolute discretion, revoke or terminate this License at any time prior to the Expiration Date, without cause and without obligation to pay any consideration to Licensee. If the vessel must be moved to another berth in the Harbor during the Term, the Harbormaster will use reasonable efforts to provide fourteen (14) calendar days' notice to Licensee.

If Licensee is an owner of a vessel owned by a Partnership, Licensee agrees that it is agent of the other partners, has the authority to bind the other partners and that each owner of the vessel shall be jointly and severally liable to Port for all obligations and liabilities under this License.

2. TERM. This License shall commence on the Commencement Date shown above and shall expire at **11:00 a.m.** on the Expiration Date unless renewed by the Harbormaster in his or her sole discretion (for up to a maximum of six (6) months at any berth in the Harbor). Renewals are conditioned upon Owner's advance payment of Fees.

3. FEES. Licensee agrees to pay to Port the Fees set forth in the Rules and Regulations and the Fee Schedule as applicable to Licensee's activities.

Berthing Fees are due in advance on the first day of each calendar month. Fees are delinquent if not received on the 15th day of each month. s.

Parking Fees are due in advance upon issuance of a parking permit. Other Fees shall be due in accordance with the Fee Schedule.

Licensee acknowledges that late payment will cause Port increased costs not contemplated by this License, the exact amount of which will be extremely difficult to ascertain. Accordingly, if Licensee fails to pay Fees on the date due, such failure shall be subject to a ten percent (10%) late charge. Without limiting any of its rights, Port may increase any Fee from time to time by adopting a new Fee Schedule for the Harbor. All sums payable by Licensee to Port hereunder shall be paid in cash or by good check to the Port and delivered to Port's address specified in Section xxx of the Rules and Regulations or such other place as Port may designate in writing.

4. SECURITY DEPOSIT. Prior to the Commencement Date, Licensee shall provide to Port a security deposit in an amount equal to one month's berthing Fee as security for Licensee's faithful performance of its obligations under this License. Licensee agrees that Port may apply the security deposit to (a) pay any sum due to Port under this License, (b) compensate Port for any damage to the Harbor caused by Licensee or its Invitees, or (c) cure any default or failure to comply by Licensee. If Port uses any portion of the security deposit, Licensee shall replenish the security deposit to the original amount within twenty-four (24) hours of Port's notice of the amount due. Port's obligation with respect to the security deposit is solely that of debtor and not trustee. Licensee shall not be entitled to any interest on such security deposit and Port shall not be required to keep the security deposit separate from its general funds. Nothing contained in

this section shall in any way diminish or be construed as waiving any of Port's remedies under this License or provided by law or equity.

Licensee waives the provisions of California Civil Code Section 1950.7 and/or any successor statute, and expressly agrees that Port may apply the security deposit in payment of sums reasonably necessary to compensate Port for other loss or damage, foreseeable or unforeseeable, caused by an act or omission of Licensee or any Invitee of Licensee, and that following a default by Licensee, the security deposit may be retained by Port and applied to future damages pending determination of the same. If Licensee is not in default at the expiration or termination of this License, Port shall return the unused balance of the security deposit to Licensee after Licensee vacates the Harbor.

5. FAILURE TO USE VESSEL. Licensee must take his or her vessel out of the Harbor at least five (5) times in any six (6) month period.

6. MARITIME LIEN. In accordance with Division 3, Chapter 2 (§490 et. seq.) of the California Harbors and Navigation Code, outstanding charges for Berthing Fees or other harbor services constitute a lien upon a vessel. Port may foreclose its maritime lien, including selling the vessel at a public auction in accordance with the provisions of the Rules and Regulations or as otherwise provided by Law.

7. NO BAILMENT. This License is for use of assigned dockage space and associated Harbor facilities including designated parking areas if permitted under a parking permit. This License does not create a bailment of the vessel its equipment or personal effects or of any vehicle. If at any time keys are left with the Harbor Office for the convenience of Licensee, Licensee agrees that such will not constitute the assumption of a bailee relationship by Port.

8. COMPLIANCE WITH LAWS. Licensee shall comply with all Laws relating to or affecting the condition and use of its vessel and the Harbor. Licensee shall comply with the City Requirements listed in *Exhibit B*, which are hereby incorporated, to the extent that such ordinances are applicable. Licensee understands and agrees that its failure to comply with such City Requirements shall be a material breach of this License and may give rise to penalties under the applicable ordinance.

9. CONDITION OF BERTH AND FACILITIES. Licensee acknowledges that Licensee has inspected the assigned berth space and is satisfied that such facilities are adequate for the safe and secure dockage of Licensee's vessel and use. Licensee shall immediately notify the Harbormaster of any observed dangerous condition requiring attention by the Port. Licensee shall not alter docks, pilings or any Harbor facilities. There is no warranty of any kind as to the condition of the berths, floats, dock boxes, Lockers, walks, gangways, ramps or mooring gear, or any other part of the Harbor and Licensee accepts the berth space in its "As Is" condition and as being suitable for the conduct of Licensee's activity thereon.

10. WAIVER, INDEMNIFICATION AND ASSUMPTION OF RISK. Licensee, as a material part of the consideration to be rendered to Port, acknowledges and agrees that Harbor facilities are used at the user's sole risk, and that Port shall not be responsible for or liable to Licensee or Licensee's Invitees for loss or damage to any property, including vehicles or vessels, in or about the Harbor from any cause whatsoever. Accordingly, to the fullest extent allowed by law, Licensee hereby waives all rights against the City and County of San Francisco, the San Francisco Port Commission and its officers, employees and agents (collectively, "**City Parties**"), and releases the City Parties from any and all losses relating to any injury, accident or death of any person or theft, loss or damage to any property, including vehicles or vessels, in or about the Harbor from any cause whatsoever. The City Parties shall not be liable under any circumstances for any consequential, incidental or punitive damages.

Licensee agrees to hold harmless, indemnify, and if requested, defend, the City Parties, from any and all liabilities, injuries, losses, costs, claims, judgments, settlements, damages, liens, fines, penalties and expenses, including without limitation, direct and vicarious liability of any kind

(collectively, "Claims") arising directly or indirectly arising out of (a) any injury to or death of any person, including but not limited to Licensee's Invitees, or damage to or destruction of any property occurring in, on or about the Harbor, or any part thereof, or the approaches thereto from any cause whatsoever, (b) any failure by Licensee or its Invitees in the observance or performance of any of the terms, covenants or conditions of this License, or (c) the use, occupancy or condition of the Harbor or the activities therein or the approaches thereto by Licensee or Licensee's Invitees. This Indemnity shall be enforceable regardless of the active, concurrent or passive negligence of any of the City Parties, and regardless of whether liability without fault is imposed or sought to be imposed on any of the City Parties. This Indemnity shall be enforceable except to the extent that such Indemnity is void or otherwise unenforceable under applicable law in effect on, or validly retroactive to, the date of this License. This Indemnity shall exclude Claims resulting solely and exclusively from the willful misconduct of the City Parties which is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Licensee or Licensee's Invitees. The foregoing provision is an allocation of risks whereby Licensee agrees to look solely to Licensee's own insurer as to risks associated with use of the Harbor and its berthing and other facilities.

The foregoing obligation of Licensee includes indemnification from all loss and liability, including attorneys' and consultants' fees, court costs, investigation and remediation costs, all other reasonable costs and expenses incurred by the City Parties, damages for decrease in the value of the Harbor, and Claims for damages or decreases in the value of adjoining property. The provisions of this Section shall survive the expiration or earlier termination of this License.

Licensee understands and expressly accepts and assumes the risk that any facts concerning any and all Claims released in this License might be found later to be other than or different from the facts now believed to be true, and agrees that the releases in this License shall remain effective. Therefore, with respect to all Claims released in this License, Licensee waives any rights or benefits provided by Section 1542 of the Civil Code, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Licensee specifically acknowledges and confirms the validity of the release made above and the fact that Licensee was represented by counsel who explained the consequences of the release at the time this License agreement was made, or that Licensee had the opportunity to consult with counsel, but declined to do so.

Initials: Licensee: _____

11. INSURANCE.

Licensee shall maintain throughout the Term, at Licensee's expense, a minimum coverage of Five Hundred Thousand (\$500,000) marine liability and Five Hundred Thousand (\$500,000) vessel pollution liability, including hull replacement and general liability. Hull value will be based on the National Automobile Dealers Association (NADA) or similar for the marine industry. The policy shall be in form and substance satisfactory to the Harbormaster and shall be placed with responsible underwriters, which have an assigned policyholder's rating of A (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of the "Best's Key Rating Guide", and which are currently authorized by the Insurance Commissioner to transact business in the State of California.

The policy must contain a cross-liability clause, shall name as additional insureds by written endorsement the "CITY AND COUNTY OF SAN FRANCISCO AND THE SAN FRANCISCO

PORT COMMISSION AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS," shall be primary and non-contributory to any other insurance available to the additional insureds with respect to claims arising under this License, and shall provide that such insurance applies separately to each insured against whom complaint is made or suit is brought except with respect to the limits of the company's liability.

Licensee shall deliver certificates of insurance, additional insured policy endorsements and waiver of subrogation endorsements in a form satisfactory to and at the direction of the Harbormaster using EXIGIS or another internet-based insurance compliance tracking system as directed by the Harbormaster on or before the Commencement Date, and upon renewal of each policy not less than thirty (30) days before expiration of the term of the policy. Licensee shall, upon Port's request, promptly furnish Port with a complete copy of any insurance policy required hereunder.

Licensee shall also maintain, at Licensee's expense, any additional insurance coverage which in Licensee's own judgment may be necessary for vessel's protection.

Notwithstanding anything to the contrary contained herein, Port and Licensee (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to this License, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this License or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Harbor; provided, the failure to obtain any such endorsement shall not affect the above waiver.

12. DEFAULT; TERMINATION.

The occurrence of any default by Licensee shall result in the termination of this License without an opportunity to cure or prior notice by Port. The Harbormaster will provide the Licensee prompt written notice of such termination and Licensee shall immediately vacate and discontinue its use of the Harbor.

13. PORT'S REMEDIES UPON TERMINATION OR EXPIRATION. Upon expiration of the Term, Licensee's default and failure to cure during the cure period, if any, or automatic termination, this License shall terminate and Licensee shall immediately vacate and discontinue its use of the Harbor and Port may take any and all action to enforce Licensee's obligations. Licensee shall indemnify Port from and against any and all loss or liability resulting from Licensee's delay in vacating the Harbor.

If Licensee does not remove his or her vessel immediately upon termination or expiration without timely renewal of this License, no new license is created or shall be implied and the daily Transient Fee shall apply.

Port shall have the following remedies in its sole discretion: (i) remove the vessel to a location within or outside the Harbor, in which case Licensee shall be liable for costs of storage and other costs incurred by Port; and/or (ii) commence the attachment and auction process under the California Harbors and Navigation Code and Section xx of the Rule and Regulations.

If Licensee's vessel is moved whether within or outside the Harbor, as to such relocation and during the period of storage and final disposition, all indemnity and exculpatory clauses of this License pertaining to Licensee and the vessel, including but not limited to Sections 10 and 19, shall continue in effect and inure to the benefit of Port and its agents.

Without any prior notice, Port may elect to retain or dispose of Licensee's personal property, other than his or her vessel and any other property not subject to a maritime lien, that Licensee

does not remove from the Harbor prior to the expiration or earlier termination of this License. These items shall be deemed abandoned. Port may retain, store, remove, and sell or otherwise dispose of abandoned property, and Licensee waives all Claims against Port for any damages resulting from Port's retention, removal and disposition of such property; provided, however, that Licensee shall be liable to Port for all costs incurred in storing, removing and disposing of abandoned property and repairing any damage to the Harbor resulting from such removal. Licensee agrees that Port may elect to sell abandoned property and offset against the sales proceeds Port's storage, removal, and disposition costs without notice to Licensee. Licensee hereby waives the benefits of California Civil Code Section 1993 et seq., to the extent applicable.

14. TIME OF ESSENCE. Time is of the essence in performance of the obligations set forth in this License.

15. NO WAIVER. Failure to enforce any terms or conditions of this License shall not act as a waiver against enforcement of those same terms and conditions or any other provisions of this License.

16. REMEDIES CUMULATIVE; SEVERABILITY. All exhibits and schedules are incorporated in this License by reference. All remedies available under this License are cumulative and not exclusive. The terms and conditions of this License are independent and the failure of one or several shall not invalidate the entire License.

17. ENTIRE AGREEMENT. This License constitutes the entire agreement between the parties, and the terms and conditions cannot be varied except in writing signed by the parties. Licensee expressly agrees and acknowledges that no officer, director, or employee of Port or City is authorized to offer or promise, nor is Port or the City required to honor, any offered or promised concession, abatement, or any other form of monetary consideration without a written agreement executed by Port.

18. APPLICABLE LAWS. This License shall be construed and enforced according to the federal maritime laws of the United States and, where applicable, according to the laws of the State of California and the Charter of the City and County of San Francisco. Venue for any action shall be in the City and County of San Francisco.

19. NON-LIABILITY OF PORT OFFICIALS, EMPLOYEES AND AGENTS. No elective or appointive board, commission, member, officer, employee or other agent of Port shall be personally liable to Licensee, its successors and assigns, in the event of any default or breach by Port or for any amount which may become due to Licensee, its successors and assigns, or for any obligation of Port under this License or otherwise.

20. ATTORNEYS' FEES. If either party commences an action against the other or a dispute arises under this License, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of Port shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience notwithstanding Port's use of its own attorneys.

21. WAIVER OF RELOCATION. Licensee hereby waives any and all rights, benefits or privileges of the California Relocation Assistance Law, California Government Code §§ 7260 et seq., or under any similar law, statute or ordinance now or hereafter in effect, to the extent allowed under applicable Law.

22. MISCELLANEOUS PROVISIONS.

(a) This License has been negotiated at arm's length between persons sophisticated and knowledgeable in the matters addressed. In addition, each party has been represented by experienced and knowledgeable legal counsel, or has had the opportunity to consult with counsel. Accordingly, the provisions of this License must be construed as a whole according to their common meaning in order to achieve the intents and purposes of the parties.

without any presumption (including a presumption under California Civil Code § 1654) against the party responsible for drafting any part of this License.

(b) **Successors.** The terms, covenants, agreements and conditions set forth in this License shall bind and inure to the benefit of Port and Licensee and, except as otherwise provided herein, their personal representatives and successors and assigns.

(c) **Survival of Indemnities.** Termination or expiration of this License shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this License, the ability to collect any sums due, nor shall it affect any provision of this License that expressly states it shall survive termination or expiration hereof.

(d) **Relationship of the Parties.** Port is not, and none of the provisions in this License shall be deemed to render Port, a partner in Licensee's business, or joint venturer or member in any joint enterprise with Licensee. Except as expressly provided in Section 3H of the Rules and Regulations, neither party shall act as the agent of the other party in any respect hereunder. This License does not create a relationship between Port and Licensee other than that of licensor and licensee. This License is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided.

23. NOTICES. All notices required under this License shall be provided in the manner specified in Section xx of the Rules and Regulations.

24. PUBLIC RECORD. This License is a public record subject to disclosure under the California Public Records Act. Please initial below if you wish to waive your privacy rights to the personal information contained in this License.

Yes, I authorize the Port to disclose my personal residence address, phone, and e-mail information listed in this form to any member of the public upon request.

Licensee: _____

I ACKNOWLEDGE THAT I HAVE READ AND UNDERSTOOD ALL THE TERMS AND CONDITIONS ON ALL PAGES OF THIS LICENSE AND AGREE TO THEM.

IN WITNESS WHEREOF, Port and Licensee have executed this License as of the last date set forth below

Licensee: _____
Print Name

Signature

Date signed: _____

Port: **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, operating by and through the **SAN FRANCISCO PORT COMMISSION**

By: _____
Joe Monroe
SBH Harbormaster

Date signed: _____

EXHIBIT A
SOUTH BEACH HARBOR RULES AND REGULATIONS

EXHIBIT B

CITY REQUIREMENTS

The San Francisco Municipal Codes (available at www.sfgov.org) and City Requirements referenced in this License are incorporated by reference as though fully set forth. The descriptions below are not comprehensive but are provided for notice purposes only. Capitalized terms used in this Section and not defined in this License shall have the meanings ascribed to them in the cited ordinance.

1. Nondiscrimination.

(a) Covenant Not to Discriminate. In the performance of this License, Licensee covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), weight, height, association with members of classes protected under Chapters 12B or 12C of the Administrative Code or in retaliation for opposition to any practices forbidden under Chapters 12B or 12C of the Administrative Code against any employee of Licensee, any City employee working with Licensee, any applicant for employment with Licensee, or any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Licensee in the City and County of San Francisco.

(b) Penalties. Licensee understands that pursuant to Section 12B.2(h) of the Administrative Code, a penalty of \$50.00 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this License may be assessed against Licensee.

2. Prohibition of Tobacco Sales and Advertising. Licensee acknowledges and agrees that no sales or advertising of cigarettes, tobacco products or alcoholic beverages is allowed in the Harbor. This advertising prohibition includes the placement of the name of a company producing, selling or distributing cigarettes, tobacco products or alcoholic beverages or the name of any cigarette, tobacco products or alcoholic beverages in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local, nonprofit or other entity designed to (i) communicate the health hazards of cigarettes and tobacco products or alcoholic beverages, or (ii) encourage people not to smoke or to stop smoking or not to drink alcohol or to stop drinking alcohol, or (iii) provide or publicize drug or alcohol treatment or rehabilitation services. For purposes of this section, "alcoholic beverage" shall be defined as set forth in California Business and Professions Code Section 23004, and shall not include cleaning solutions, medical supplies and other products and substances not intended for drinking.

3. Restrictions on the Use of Pesticides. Licensee shall not use or apply or allow the use or application of any pesticides in the Harbor, and shall not contract with any party to provide pest abatement or control services to in the Harbor, without first receiving City's written approval of an integrated pest management ("IPM") plan that (i) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Licensee may need to apply during the Term of this License, (ii) describes the steps Licensee will take to meet the City's IPM Policy described in Section 300 of Chapter 3 of the Environment Code and (iii) identifies, by name, title, address and telephone number, an individual to act as the Licensee's primary IPM contact person with the City. Licensee shall comply, and shall require all of Licensee's contractors to comply, with the IPM plan approved by the City and shall comply with the requirements of Sections 300(d), 302, 304, 305(f), 305(g), and 306 of the IPM ordinance, as if Licensee were a City department..

4. Tropical Hardwood and Virgin Redwood Ban. Port and the City urge Licensee not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood product.

5. Preservative-Treated Wood Containing Arsenic. Licensee may not purchase preservative-treated wood products containing arsenic in the performance of this License unless such products are to be used for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

6. Conflicts of Interest. Through its execution of this License, Licensee acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the California Government Code, and certifies that it does not know of any facts which would constitute a violation of these provisions, and agrees that if Licensee becomes aware of any such fact during the Term, Licensee shall immediately notify the Port.

7. Food Service Waste Reduction Ordinance. Licensee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in Environment Code Chapter 16, including the provisions regarding the payment of liquidated damages for a breach of the ordinance.

ATTACHMENT D
South Beach Harbor
Port of San Francisco
STATEMENT OF OWNERSHIP

PLEASE PRINT

Owner Licensee	Boat Name	Account No. (if applicable)
Residence Address	Color: Hull	Berth assignment (if applicable)
Home Phone		
Email address	Spouse or Registered Domestic Partner (if any)	No. CFTSCG Documentation and Attach Documentation
Business Address Business Phone		
Insurance Carrier	Contact Info for Spouse or Registered Domestic Partner	Auto License No.
Insurance Agent Name, Address and Phone		
Emergency Contact Name, Address and Phone	Partnership Name (if any)	Initial Seniority Date (if applicable)

Date Filed: _____

- ANNUAL FILING.** This form must be filed annually with the Harbormaster.
- CHANGES.** Owner is responsible for notifying the Harbormaster in writing immediately of any changes to the information in this form. The Port is not responsible for lost or misdirected mail due to incorrect information.

This form and changes to this form are subject to the Harbor Rules and Regulations. Changes to this form may be subject to a Transfer Fee which shall be paid at the time the updated form is submitted.

- PARTNERSHIPS.** Partnerships must complete the section on the back of this form and attach the current partnership agreement to this form. The individual named above shall be designated as the Licensee on the License. All other partners (maximum of two (2) unless otherwise provided by Section xx of the Rules and Regulations) must be listed below. All partners agree that the designated individual is the agent of the Partnership and has the authority to bind the Partnership with respect to a license to berth at and use the facilities of the Harbor. Each partner agrees that it shall be jointly and severally liable to Port for all obligations and liabilities under a license.

Partner	Partner	Partner
Residence Address:	Residence Address:	Residence Address:
Home Phone:	Home Phone:	Home Phone:
Business Address: Phone:	Business Address: Phone:	Business Address: Phone:
Email Address:	Email Address:	Email Address:
Emergency Contact Information:	Emergency Contact Information:	Emergency Contact Information:
Auto License No:	Auto License No:	Auto License No:
Signature of Partner	Signature of Partner	Signature of Partner

4. PUBLIC RECORD. This form is a public record subject to disclosure under the California Public Records Act. Please initial below if you waive privacy rights to all of the personal information contained in this Form.

Yes, I authorize the Port to disclose the personal residence address, phone, and e-mail information listed in this form to any member of the public upon request. Initials: _____

Submitted by: _____
Signature

Print

ATTACHMENT E
**South Beach Harbor
Port of San Francisco
FEE SCHEDULE**

ADOPTED , 2015

Activity	Fee
Monthly Berthing Fees	
26'	\$288.76
30'	\$337.97
34'	\$411.78
38'	\$510.19
42'	\$586.59
46'	\$710.90
50'	\$792.48
*These are fees through 12/31/15	
Transient Berthing Fees – Daily Fees	\$1.25/foot – minimum \$35.00
Temporary Berthing Fees (more than 14 days up to 6 months)	Monthly berthing fees apply
Guest Dock	
Up to 3 hours	\$15.00
4 or more hours	\$125/foot
Parking	
First Annual Parking Permit for Licensees	Included in Berthing Rates
Second Annual Parking Permit for Licensees	\$600/year
Daily Guest Pass, Transient Parking Pass	\$10.00/day
Contractors/Vendors	\$20.00/day

Visitor without Guess Pass	\$20.00/day
Late Parking Application Fee	\$50.00
Permit Replacement Fee	\$100.00
Public Parking	\$115.00/month (subject to availability)
Race crew permits	\$20.00/day up to 4 per Licensee annually
Parking Without Permits	\$100.00
Waitlist Fee	\$75.00/year
Key Replacement	\$20.00
Fob Replacement	\$22.00
Late Charge for Delinquent Payment	10% of the amount due
Returned Check	\$50.00
New or Repair dock box	\$250 + labor
New or Repair dock box lid	\$180 + labor
Harbor Services	
Repair firebox plumbing	\$75.00 (minimum) + labor
Repair plumbing	\$75.00 (minimum) + labor
After Hours Services Rate	\$100 (minimum) + labor
Vessel Chaining	\$45.00 + labor
Hazardous Materials Disposal	
Waste Oil	No charge
Contaminated oil, bilge water	No charge
Monthly Locker Rates	\$25.00-\$171.00
Locker Security Deposit	One month rent

ATTACHMENT F
South Beach Harbor
Port of San Francisco
USE OF LOCKER IN PIER 40 SHED

PLEASE PRINT

Owner Licensee _____

Locker Number _____

Accession No. _____

Commencement Date: _____

Expiration Date: _____

In connection with the License issued to Licensee and subject to all of its terms and conditions, Port hereby grants permission to Licensee to use the storage locker in the Pier 40 Shed building ("Locker") listed above during the term of the License. This right is personal to Licensee and any attempt to Transfer this right without Port's prior express written consent shall terminate this use.

Licensee agrees to pay to Port the Fees set forth in the Fee Schedule for use of the Locker in compliance with Section 3 of the License.

Only miscellaneous boating equipment and cleaning supplies may be stored in a Locker. The items in the attached list are prohibited.

Licensee shall provide to Port an additional security deposit subject to the terms and conditions of Section 4 of the License in an amount equal to one month's Locker Fee.

In addition to termination for a default as provided in Section 12 of the License, the right to use the Locker will automatically terminate if the License expires or is terminated for any reason. Licensee must remove its possessions from the Locker immediately.

Port and its authorized agents shall have the right to inspect the Locker and its contents without notice at any time for hazardous conditions, safety concerns, and structural and engineering purposes and to determine whether Licensee is complying with the License. Port shall not be liable in any manner, and Licensee hereby waives any Claims for damages, for any inconvenience, disturbance, loss of business, nuisance, or other damage, including without limitation any abatement or reduction in Fees due hereunder, arising out of Port's entry.

Access to the Pier 40 Shed shall be during normal business hours only.

California Law requires landlords to disclose the presence or potential presence of certain hazardous materials. Accordingly, Licensee is hereby advised of the possible presence of petroleum hydrocarbons from two former underground tanks previously located in the vicinity of the Pier 40 shed (one removed in 1987 and one removed in 2000). Copies of reports regarding the removal of these tanks is available by contacting the Port. Licensee acknowledges its own obligations to report the discovery of hazardous materials to Port pursuant to California Health and Safety Code Section 25359.7 as well as the penalties that apply for failure to meet such obligations.

Licensee Initials and Date: _____

Port Initials and Date: _____

Prohibited Items

Licensee is prohibited from placing the following items in a Locker:

I) US DOT Hazardous Materials

II) Common household materials that are prohibited include:

A. COMBUSTIBLE LIQUIDS:

- Rubbing Alcohol
- Lubricants (Motor Oils)
- Anti-Freeze Compounds

B. CORROSIVES

- Acids
- Drain Cleaner
- Photographic Acids used in developing film
- Bleach
- Batteries (wet or dry)
- Water Purifying agents used in swimming pools

C. EXPLOSIVES

- Fireworks
- Small Arms Ammunition
- Flash Bulbs

D. FLAMMABLES

- Lighter Fluid
- Matches
- Wood Oil Stains
- Petrol-Chemical Based Garden Sprays
- Paint or Varnish
- Paint or Varnish Removers
- Butane / Propane / Gasoline (garden equipment)
- Signal Flares
- Charcoal Briquettes
- Other Fuels / Oils / Lubricants / Antifreeze

E. COMPRESSED GASSES

- Aerosol cans
- Fire extinguishers
- Scuba diving tanks

F. OTHER MATERIALS

- Live plants and animals
- Perishable goods or materials
- Pharmaceuticals / Controlled Substances



MEMORANDUM

September 17, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Doreen Woo Ho

FROM: Monique Moyer *M Moyer*
Executive Director

SUBJECT: Request authorization to commence negotiation with ProVen Management and DeSilva Gates Construction Company, or in the alternative, with their newly-formed joint venture NewCo, for the terms of an Exclusive Negotiations Agreement for the lease of SWL 352 for asphalt operations

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution

At its meeting on September 8, 2015, the Port Commission heard an informational presentation regarding the results of a Request of Qualifications / Proposal process, conducted by San Francisco Public Works staff, in consultation with Port staff, for recycled concrete and recycled asphalt plants as a part of a lease opportunity at Pier 94 / Seawall Lot 352. Port staff now requests Port Commission approval to begin negotiations over the terms of an Exclusive Negotiations Agreement with ProVen Management and DeSilva Gates Construction Company, or in the alternative, with their newly-formed joint venture NewCo.

This report provides greater detail than what was presented to the Port Commission on September 8, 2015. Material updates to the September 2, 2015 memorandum are presented herein as double underlined text. In particular, this memo provides additional information related to (1) questions posed by Commissioners on September 8, 2015 regarding financial capacity and initial asphalt plant construction costs, (2) recommendation for approval and (3) the accompanying Resolution for approval.

Executive Summary

San Francisco Public Works ("Public Works"), in conjunction with the Port, has completed a Request for Qualifications / Proposal ("RFQ/P") process for recycled concrete and recycled asphalt plants as a part of a lease opportunity at Pier 94 /

THIS ITEM COVERS CALENDAR ITEM NO. 12A

Seawall Lot 352. The advertised opportunity allowed flexibility for responsive proposers to, along with construction of a new asphalt plant, either construct a new concrete plant or partner with an existing local concrete provider. Included in the solicitation was the requirement that the respondent negotiate with the City for long-term contracts to supply high recycled content concrete and asphalt. A map of the project area is included with this report as Exhibit A.

After issuing clarifying addenda, Public Works and the Port received four responsive proposals to the RFQ/P: (1) a partnership of Central Concrete Supply Company and NewCo (a to-be-formed partnership of Proven Management and DeSilva Gates Construction Company), (2) Conco, (3) Granite Rock, and (4) Resource Management System (a collaboration between Ghilotti Brothers Inc. and Bayview Sand & Gravel).

Advisory Panel analysis yielded Central Concrete Supply Company / NewCo as the proposal that offers the best potential partnership with both the Port for long term tenancy and the City for long term supply contracts, outscoring all other proposals on every criterion. Comparative advantages on depth of experience, development and operations concepts, guarantees of supply and overall financial viability are particularly pronounced.

Public Works and Port staff recommend that the Port Commission authorize Port Staff to commence negotiation with ProVen Management ("ProVen") and DeSilva Gates Construction Company ("DeSilva Gates"), or in the alternative, with their newly-formed joint venture NewCo, for the terms of an Exclusive Negotiations Agreement ("ENA") for the lease of SWL 352 for asphalt operations.

Public Works and Port staff present this proposal for the Port Commission's and public's review and feedback. Port staff will return to the Port Commission to request authorization to enter into an Exclusive Negotiations Agreement, which will include benchmarks and milestones for negotiating a lease, with NewCo. Prior to returning to the Port Commission, Port Staff will ensure that ProVen and DeSilva Gates have formed NewCo as a legal entity, with appropriate financial capacity, with which the Port may enter into an ENA.

Strategic Objective

Moving forward with this opportunity furthers the strategic objective of implementation of the Port's *Piers 80-96 Maritime Eco-Industrial Center Strategy*, a separate staff report on which, dated September 19, 2014, may be found here: <http://www.sfport.com/modules/showdocument.aspx?documentid=8677>

Overview

On February 6, 2015, the Port Commission authorized Public Works, in conjunction with Port staff to issue a competitive solicitation for an Asphalt and Concrete batching plant at Seawall Lot 352 (located along Amador Street) with a bulk maritime terminal component at Pier 94. The City, through Public Works, solicited proposals from qualified respondents ("Respondents") to either:

1. Develop and operate a new asphalt plant that can produce asphalt with a high percentage of recycled content and develop and operate a new concrete plant

that can produce concrete mixes with high recycled content within approximately 204,688 square feet of land, located at Seawall Lot 352 ("the Site"); or

2. Develop and operate a new recycled asphalt plant on the Site and propose a partnership with an existing local concrete plant that can provide concrete mixes with high recycled content.

The Port's Final Southern Waterfront Supplemental Environmental Impact Report ("FSEIR") and subsequent addenda to this FSEIR have treated concrete batching and asphalt production opportunities on Port property similarly in the context of annual production limits for batching facilities in the area, including the environmental impacts that arise from such operations and the mitigation measures designed to minimize these impacts to acceptable levels. Further environmental review will be required prior to lease approval for the batching opportunity.

The solicitation states that the City will select the most qualified Respondent with the goal of negotiating a maritime industrial lease with the Port. Solicitation requirements include experience in the financing, development and operation of new asphalt and concrete plants and an exemplary record of environmental facility design, regulatory compliance and community relations.

Additionally, the Respondent will be required to make a maritime commitment to either:

1. Use the available marine bulk cargo terminal to receive aggregate materials from marine vessels at the Pier 94 maritime berth (or other identified berth) or
2. Pay a maritime deficiency fee--the Respondent will be encouraged to source recycled construction materials from the existing construction materials recycling facility adjacent to the Site.

Public Works may negotiate non-exclusive long-term purchase contracts that would provide the City with a reliable, high-quality and competitively priced source of recycled asphalt and recycled concrete mixes.

Public Works staff issued the RFQ/P on April 7, 2015 and conducted a pre-bid conference and site tour on April 20, 2015. Four respondents submitted proposals on June 16, 2015:

- Central Concrete Supply Company and NewCo (a Proven Management and DeSilva Gates Construction collaboration)
- Conco
- Graniterock
- Resource Management System (RMS): Ghilotti Brothers Inc. and Bayview Sand & Gravel

Project Objectives

This RFQ/P has the following objectives:

1. Provide a Site for the construction of a new recycled asphalt and new concrete plant or a new recycled asphalt plant in partnership with an existing local concrete plant;
2. Secure an experienced partner to develop and operate a new recycled asphalt plant and a new concrete plant that can provide products using higher recycled content or secure an experienced partner to develop and operate a new recycled asphalt plant and propose a partnership with an existing local concrete plant that can provide products using higher recycled content;
3. Enable the reuse of asphalt grindings and crushed concrete generated locally into high recycled content asphalt and concrete mix designs for City projects;
4. Provide a source for recycled asphalt and concrete mixes with a high percentage of recycled content using innovative, reliable, high-quality and competitively priced mix designs with higher recycled content than is currently available in the existing commercial facilities;
5. Increase maritime and Port activities at Pier 94 maritime berth (or other identified berth);
6. Minimize unnecessary truck trips;
7. Promote City environmental policies, including those related to landfill diversion, construction materials recycling, air quality, stormwater management, and use of recycled materials in Public Works projects;
8. Provide employment and contracting opportunities for San Francisco residents; and
9. Comply with the Port Commission's Waterfront Land Use Plan and Southern Waterfront Beautification Policy as well as the City's general land use policies.

Advertising and Pre-Bid Conference

Public Works staff advertised the RFQ/P opportunity in newspapers and on both the Public Works posting site and Office of Contract Administration posting site.

Eighteen members of the public representing twelve firms attended the pre-bid conference and site tour on April 20, 2015. Public Works and Port staff answered questions at the conference and site tour. Public Works staff published written responses to questions received via an addendum on the Office of Contract Administration and Public Works websites.

Advisory Panel and Staffing

Port staff recruited a panel of five advisors to review and score the RFQ/P written and oral responses ("Advisory Panel") consisting of the following individuals:

- Kristin Allen, Project Manager III, San Francisco International Airport
- Richard Berman, Utility Specialist, Port of San Francisco
- Julia Dawson, Deputy Director, Financial Management and Administration, Public Works
- Brian Henderson, Waste Water Enterprise Engineering Manager, Public Utilities Commission
- Larry Stringer, Deputy Director, Operations, Public Works

RFP Evaluation Criteria

The Advisory Panel conducted an initial determination on responsiveness and acceptability. Elements reviewed during initial screening included: proposal completeness, compliance with format requirements, compliance with Minimum Qualification requirements, and verifiable references. Each Respondent was required to provide proof that they have a minimum of five (5) years' experience operating asphalt and concrete production as a company, or minimum individual team member's professional experience operating asphalt and concrete production facilities of ten (10) years, or comparable experience.

The Advisory Panel used the following specific criteria in evaluating the responses to this RFQ/P and the oral interview:

- a. Experience, reputation of the Respondent's team, economic success of similar ventures **(15 points)**
- b. Regulatory compliance record **(10 points)**
- c. Local economic benefits **(10 points)**
- d. The quality of the development and operations concept **(10 points)**
- e. Environmental performance plans **(10 points)**
- f. Layout and design of the asphalt and concrete facilities **(5 points)**
- g. Financial capacity for facility development, operations **(5 points)**
- h. Guarantees of supply to City-sponsored projects; ability to provide high quality and competitively priced recycled asphalt, concrete **(20 points)**
- i. Long-term financial viability of proposal **(15 points)**

The Proposals and Scoring

The Advisory Panel met once prior to reviewing and scoring the written proposals. Public Works and Port staff developed questions for the oral interview. The Advisory Panel rated each respondent and assigned a total weighted score consisting of the written and oral components. The written score accounted for 65% of the total combined score and the oral interview score accounted for 35%. The Advisory Panel interviewed all four respondent teams on August 11, 2015.

The written score accounted for 65% of the total combined score and the oral interview score accounted for 35%. Table 1 below shows the Advisory Panel's aggregate scores for all four proposals and final scores and ranking.

While the cost of plant construction was not specifically requested in the solicitation, City experience running an asphalt plant presumes an initial direct construction cost of

roughly \$3-4 million, though this cost is subject to plant design, which is in part driven by supply contract negotiations and the percentage of recycled content desired by the City.

Table 1: Advisory Panel's Aggregate Scores

Criteria	Central Concrete Supply Company and NewCo SF A/C (Proven Management and DeSilva Gates Construction)	Resource Management System (RMS): Ghilotti Brothers Inc. And Bayview Sand & Gravel	Conco	Graniterock
	Written & Oral Scores	Written & Oral Scores	Written & Oral Scores	Written & Oral Scores
Experience	71	38	34	58
Regulatory Compliance	40	31	29	27
Local Economic Benefits	41	39	27	23
Development and Operations Concept	43	20	23	10
Environmental Performance Plans	41	26	24	19
Proposed Layout and Design	23	11	13	4
Financial Capacity	21	15	17	19
Guarantees Of Supply	86	58	44	40
Financial Viability	60	40	40	31
Total Score	426	278	251	231
Rank	1	2	3	4

Conclusion and Recommendation

The Central Concrete Supply Company / NewCo proposal, which partners a new asphalt plant with an existing concrete plant at Central Concrete, offers the best potential partnership with both the Port for long term tenancy and the City for long term supply contracts, outscoring all other proposals on every criterion. Overall, the Central / NewCo proposal was recognized for the bidders' demonstrated ability to produce asphalt and concrete, the comprehensiveness, specificity and insight of the proposal, (the Central / NewCo submission was approximately 650 pages long, whereas the

combined total of the other three proposals was approximately 220 pages) and the unanimity of panelist's conclusions (each of the five panelists independently scored Central / NewCo highest on both the written and oral responses to the solicitation).

To highlight one of the most important criteria – financial capacity – while the Central / NewCo proposal was deemed to be responsive to the RFQ/P, the second ranked proposal overall, RMS, provided financial assurance from only a single individual and did not provide the required four years of financial statements.

The proposal would have Central dedicate to production of high recycled content concrete one of its existing concrete plants, Plant #31, currently in operation on Port property within the terms of the Port's existing lease, obviating the need for new lease negotiations with Central.

Based on the Advisory Panel's analysis, Port staff request authorization to enter into negotiations with ProVen and DeSilva Gates, or in the alternative, with their newly-formed joint venture NewCo, over an Exclusive Negotiations Agreement for the lease of the Site for asphalt plant operations. Public Works staff will enter into simultaneous negotiations with Central for long-term concrete supply contracts, and with Proven and DeSilva Gates or NewCo for long-term asphalt supply contracts.

After Port Commission authorization to enter exclusive negotiations, Port staff and representatives of ProVen and DeSilva Gates or in the alternative, their newly-formed joint venture NewCo, will present the proposed plan to the Southern Waterfront Advisory Committee.

Prior to returning to the Port Commission, Port Staff will ensure that ProVen and DeSilva Gates have formed NewCo as a legal entity, with appropriate financial capacity, with which the Port may enter into an ENA.

Next Steps

Port staff will return to the Port Commission to request authorization to enter into an Exclusive Negotiations Agreement, which will include benchmarks and milestones for negotiating a lease, with NewCo.

Prepared by: Richard Chircop
Associate Engineer, Public Works

Daley Dunham
Special Projects Manager, Port

Patrick Rivera
Division Manager, Public Works

For: Brad Benson
Director of Special Projects, Port

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 15-32

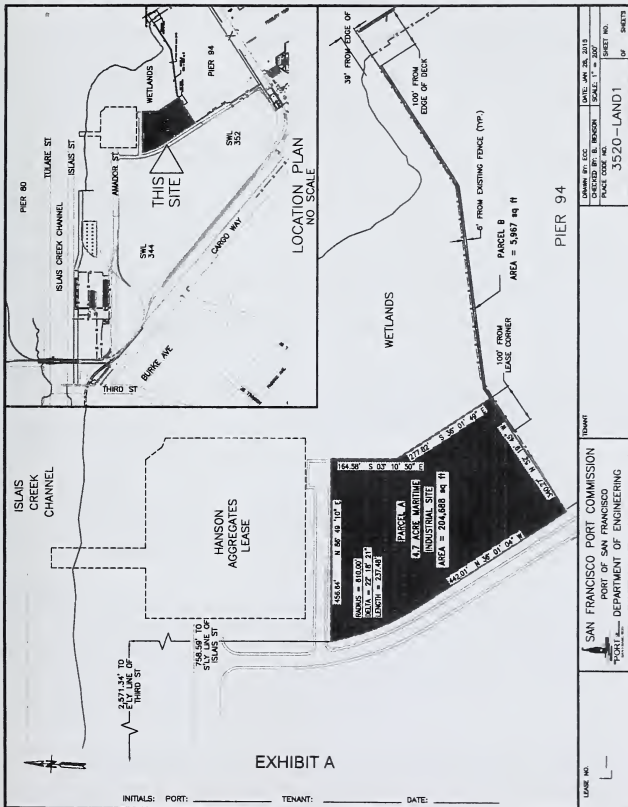
- WHEREAS, On February 10, 2015, through Resolution 15-07, the Port Commission authorized San Francisco Public Works ("SFPW"), in consultation with Port staff, to offer the opportunity for lease and operation of an asphalt and concrete batching plant at Seawall Lot 352 / Pier 94 ("SWL 352") and long-term supply contracts for asphalt and concrete for City-sponsored projects through a competitive solicitation process; and
- WHEREAS, On April 11, 2015, SFPW issued a Request for Qualifications / Proposal ("RFQ/P") for this opportunity, and on June 16, 2015 received four proposals; and
- WHEREAS, The proposal submitted by Central Concrete Supply Company ("Central"), ProVen Management ("ProVen") and DeSilva Gates Construction Company ("DeSilva Gates") received the highest scores from the formal review panel under the RFQ/P criteria, with decisively higher scores than other respondents; and
- WHEREAS, Under the proposal, Central will dedicate one of its existing concrete plants, Plant #31, currently in operation on Port property, to production of high recycled content concrete, within the terms of the Port's existing lease, obviating the need for new lease negotiations with Central; and
- WHEREAS, Under the highest-scoring proposal, ProVen and DeSilva Gates will construct a new high recycled content asphalt plant at SWL 352; and
- WHEREAS, In the proposal, ProVen and DeSilva Gates declare their intention to form a new joint venture, NewCo, as the entity that will negotiate with the Port for the lease of SWL 352; and
- WHEREAS, Port staff are prepared to commence discussions and negotiations with ProVen and DeSilva Gates of terms of an Exclusive Negotiations Agreement ("ENA") for the lease of SWL 352, concurrently with SFPW's discussions with NewCo for terms of a long-term asphalt supply contract and with Central for terms of a long-term concrete supply contract; and

- WHEREAS, Port staff recommend that the Port Commission authorize staff to commence negotiations with Proven and DeSilva Gates, or in the alternative, with their newly-formed joint venture, NewCo, for the terms of an ENA for the lease of SWL 352 for asphalt operations; and
- WHEREAS, Any ENA and lease for SWL 352 will require approval of the Port Commission, and further, long-term supply contracts with SFPW for concrete and asphalt will require the approval of the City Purchaser and the Board of Supervisors; now therefore be it
- RESOLVED, That the Port Commission hereby authorizes staff to commence negotiations with ProVen and DeSilva Gates, or in the alternative, with their newly-formed joint venture NewCo, for the terms of an ENA for the lease of SWL 352 for the asphalt operations described in the RFQ/P, the final terms and conditions of which shall be subject to approval of the Port Commission.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of September 22, 2015.

Secretary

Exhibit A Site Plan





MEMORANDUM

September 17, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Doreen Woo Ho

FROM: Monique Moyer
Executive Director *M Moyer*

SUBJECT: Request authorization to advertise for competitive bids for Construction Contract No. 2776, Five Year Maintenance Dredging Project

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

Executive Summary

Port staff requests the Port Commission's authorization to advertise for competitive bids for Contract No. 2776, Five Year Maintenance Dredging Project ("Project"). The Project provides for dredging at various sites along the San Francisco waterfront from calendar Year 2016 through calendar Year 2020.

Strategic Objective

The Port's mission is to promote maritime commerce throughout its portfolio. While certain of the Port's berths, such as the east face of Piers 30-32 are naturally deep, many of the Port's active berths require periodic dredging to support the mission.

Background

The current Five Year Maintenance Dredging Project Contract 2746 expires on December 31, 2015. The Port Commission in 2011 authorized the award of Contract No. 2746 to Dutra Dredging Company (Port Commission Resolution no. 11-25), and at its meeting on June 23, 2015, authorized Port Staff to execute a contract modification to Contract No. 2746, to increase the contract amount by \$1,200,000 to a total contract amount of \$17,101,050 (Port Commission Resolution no. 15-24).

This new contract will continue the Port's portfolio-wide dredging program. During the term of this contract, the Port expects to require maintenance dredging at several Port facilities including Pier 27, Piers 30/32, Pier 35, Pier 80, Pier 92, Islais Creek, Central Basin, Fisherman's Wharf, Piers 94/96 and others along the San Francisco waterfront.

THIS PRINT COVERS CALENDAR ITEM NO. 13A

The contract scope will include mobilization and demobilization, hydrographic surveying, dredging, dredge material transportation for in-Bay disposal, ocean disposal, and beneficial reuse sites, and crane lifting services, as set forth in the construction contract documents.

The Port's Dredging Program Team's cost estimate for this Project, for a five-year duration, is \$28,500,000. The estimated cost has escalated from the previous five-year contract by approximately 60%. The estimated increase is primarily due to a combination of an increase in dredging volume by 40% and higher disposal costs associated with DMMO's (defined below) requirement to utilize more beneficial reuse and ocean disposal of dredged materials. Dredging volume has grown by 40% because of increased dredge areas at Pier 35 and Pier 27 to accommodate large ship maneuvering and areas of deferred dredging that will require dredging within the next two to three years. At the same time, costs associated with ocean disposal and beneficial reuse are significantly higher than for in-Bay disposal. Over the years, DMMO has been requiring more and more percentage of dredge material to be diverted to ocean disposal and beneficial reuse. This has resulted in significant increase in the Port's dredging cost.

The Project cost will be funded from Port capital funds for maintenance dredging. Port staff intends to request bidding on a unit price basis and will determine the lowest bidder based on the total bid price, which, in turn, will be based on the Project Engineer's estimated quantity for the project. Due to limited appropriated funds at the time of award, the Port staff intends to award the contract based upon the available funds for dredging in fiscal year 2015/2016, and funds remaining from fiscal year 2014/2015. The contract will be modified to fund necessary work as additional funding becomes available.

Regulatory Approvals

The Port is authorized to conduct maintenance dredging under 10-year permits from the U.S. Army Corps of Engineers (USACE), San Francisco Bay Conservation and Development Commission (BCDC), and the San Francisco Regional Water Quality Control Board (RWQCB). For each dredging episode, all material proposed to be dredged is tested (chemically and biologically) as per regional and federal guidance. Authorization to dredge is contingent on the Dredging Material Management Office's (DMMO) approval. The DMMO determines the suitability of sediment for various disposal options based on the quality of the dredge material tested. . The DMMO includes representatives from the U. S. Environmental Protection Agency, San Francisco Bay Conservation and Development Commission, San Francisco Bay Regional Water Quality Control Board, and the U.S. Army Corps of Engineers.

Approval is documented by the issuance of an authorization to commence work by the USACE, BCDC, and RWQCB under the following permits:

- USACE Permit (Order No. 2013-00333S (expires December 31, 2024).
- RWQCB Permit CIWQS Place No. 735444 (EAC) (expires December 31, 2023).
- BCDC Permit (Order No. M02-71) (expires October 29, 2019).

The contract will incorporate the dredging and disposal requirements noted in the "Long Term Management Strategy for the San Francisco Bay (LTMS)" and implemented by DMMO, including provisions for meeting volume percentage allocations to place dredge material at various permitted disposal sites: in-Bay disposal (20%), ocean disposal (40%), and beneficial reuse sites (40%).

Climate Action

The LTMS EIS-EIR (Environmental Impact Statement / Environmental Impact Report) addressed air quality impacts related to maintenance dredging. In general, the LTMS dredging of navigational channels and harbors provides for more fully loaded ships. As a result, fewer ships would be required to transport the same amount of cargo compared to the existing fleet, and fewer emissions would be produced over the long term. Sea Level Rise is not expected to cause any major issue for this Project.

Local Business Enterprise

The Contract Monitoring Division (CMD) enforces the City's Administrative Code Chapter 14B, the Local Business Enterprise and Non-Discrimination in Contracting Ordinance. The ordinance establishes 10% bid discounts for LBE prime contractors and empowers CMD to set LBE subcontractor participation goals based upon availability of LBE firms to complete the type of work included in the contract. The scope of work for the proposed dredging contract is limited to dredging, hydrographic surveying, and in water transportation. CMD staff have reviewed the Project scope and funding sources for this contract, and determined that there are no subcontracting opportunities for LBEs as part of the proposed contract. Port staff will be requesting a LBE subcontracting goal waiver based on CMD's determination that there are no LBE subcontracting opportunities on this project.

Bid Solicitation Process

The proposed solicitation for bids will require bidders to possess a Class A General Contractor's License with at least three (3) years dredging experience of similar magnitude and scope as shown on the contract documents.

The solicitation of bids will be advertised to reach the contractor market through the following channels:

- Direct targeted emails and phone notifications based on previous record of dredging contracts advertisement.
- Chambers of Commerce – Postings and alerts within the traditional and ethnic Chambers
- Contract Monitoring Division list of contractors
- Port Engineering division's list of contractors
- Port Website
- City and County of San Francisco Office of Contract Administration's Website
- Plan Rooms (Builders Exchange, Contractors Information Network, etc.) 24 total
- Newspapers (SF Examiner and Small Business Exchange)
- SFPUC Contractor Assistance Center

After the solicitation and receipt of bids, Port staff will propose award of the contract to the lowest responsive, responsible bidder.

Funding

The contract will be awarded using funds from fiscal year 2015/2016, and funds remaining from fiscal year 2014/2015. Port staff intends to fund the balance of the project with fiscal year 2016/2017 through 2019/2020 Port capital funds for dredging, if approved by the Port Commission, Mayor and Board of Supervisors as part of the Port's annual budget.

Schedule

The anticipated project schedule is as follows:

Port Commission Approval to advertise for bids	September 22, 2015
Complete Construction Document	October, 2015
Advertisement	November, 2015
Bid Opening	December, 2015
Port Commission Approval to Award the Construction Contract	January, 2016
Construction Start	March, 2016
Substantial Completion	December, 2020

Summary

The Project will help maintain navigable waterways at Port sites including Pier 27, Piers 30/32, Pier 35, Pier 80, Pier 92, Islais Creek, Central Basin, Fisherman's Wharf, Piers 94/96 and others along the San Francisco waterfront by providing necessary maintenance dredging to support the Port's maritime business.

Recommendation

Port staff is prepared to seek competitive bids for this Project. Therefore, Port staff requests Port Commission authorization to advertise for and accept competitive bids for construction contract No. 2776, Five Year Maintenance Dredging Project.

Prepared by: Ken Chu
Project Engineer

John Davey
Assistant Deputy Director Maritime

For: Eunejune Kim
Chief Harbor Engineer

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 15-33

- WHEREAS, Port staff seeks authorization to advertise and accept competitive bids for construction Contract No. 2776, Five Year Maintenance Dredging Project (the "Project"); and
- WHEREAS, the construction Project will allow a qualified contractor to perform necessary maintenance dredging to provide navigable waterways to support the Port's maritime business; and
- WHEREAS, the Project scope will include dredging at Port sites, including Pier 27, Piers 30/32, Pier 35, Pier 80, Pier 92, Islais Creek, Central Basin, Fisherman's Wharf, Piers 94/96 and others along the San Francisco waterfront from Year 2016 through Year 2020; and
- WHEREAS, the current estimated cost for this Project, for a five-year duration, is \$28,500,000, and will be funded from Port capital funds for maintenance dredging, as approved through the Port's budget process; and
- WHEREAS, Port staff intends to initially award the Project contract based upon the available funds for dredging in fiscal year 2015/2016, and funds remaining from fiscal year 2014/2015; and
- WHEREAS, Port staff intends to modify the contract to fund necessary work as additional funding becomes available; and
- WHEREAS, the contract will incorporate the dredging and disposal requirements noted in the "Long Term Management Strategy for the San Francisco Bay" – including provisions for in-bay disposal, ocean disposal, and upland disposal of dredge materials – developed by the Dredging Material Management Office (DMMO), a joint program of the San Francisco Bay Conservation and Development Commission (BCDC), San Francisco Bay Regional Water Quality Control Board (RWQCB), California State Lands Commission (CSLC), the U.S. Army Corps of Engineers (USACE), and Region 9 of the U.S. Environmental Protection Agency (EPA); and
- WHEREAS, the City's Contract Monitoring Division (CMD) staff have reviewed the Project scope and funding sources for this contract, and determined that there are no subcontracting opportunities for Local Business Enterprises (LBEs) as part of the proposed dredging contract and have waived any LBE requirement; now, therefore be it

RESOLVED, that the San Francisco Port Commission hereby authorizes Port staff to advertise for and accept competitive bids for Contract No. 2776, Five Year Maintenance Dredging Project.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of September 22, 2015.

Secretary



MEMORANDUM

September 17, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Doreen Woo Ho

FROM: Monique Moyer *M Moyer*
Executive Director

SUBJECT: Request approval of a resolution endorsing a Request for Proposals by the San Francisco Mayor's Office of Housing and Community Development to solicit a developer for the development of affordable housing on Seawall Lot 322-1, located at Broadway and Front Streets

Director's Recommendation: Approved Attached Resolution

EXECUTIVE SUMMARY

Port staff seeks approval of a resolution endorsing a Request for Proposals ("RFP") by the San Francisco Mayor's Office of Housing and Community Development (the "Housing Office") to solicit a developer for development of affordable housing (the "Development") on Seawall Lot 322-1, located at Broadway and Front Streets (the "Site"). The Housing Office anticipates issuing the RFP by October 2015 based on the project timeline included in the Memorandum of Understanding between the Port and the Housing Office (the "MOU"). The Port Commission approved the MOU on March 11, 2014 when it adopted Resolution No. 14-16¹ and the Port and Housing Office executed the MOU on April 30, 2014. The MOU sets forth the terms and conditions under which the Port will allow the Housing Office to solicit a developer to enter into a lease with the Port for the Development.

Since the MOU approval, the Housing Office, with assistance from Port staff, has conducted extensive community outreach through multiple community meetings, and written communications. It hired a joint venture team of Mark Cavagnero Architects and Cary Bernstein Architects to conduct site design analysis and a community design workshop held on July 21, 2015, where design criteria were discussed with the public for the Site, and an adjacent parking lot site owned by San Francisco Department

THIS PRINT COVERS CALENDAR ITEM NO. 14A

¹ <http://www.sfport.com/modules/showdocument.aspx?documentid=7738>: March 6, 2012 Staff Reported

Public Works ("SFDPW") that fronts on Davis Street. It is in discussions with SFDPW to negotiate development of additional affordable housing on the SFDPW site, which is not included in the MOU. The community workshop, comments and feedback were positive and productive, building a community-based consensus on the goals/objectives to include in the proposed RFP.

The RFP key elements are:

- (a) Goals/Objectives that include design/development guidelines for the development to fit into the neighborhood; housing program criteria including housing tenure, income-targets, and occupancy preferences;
- (b) Development Program which provides for family and senior rental housing; community benefit space, such as a child day care; ground level commercial uses with preference for neighborhood serving retail such as a café, small market, hardware store, etc.; and public parking to the extent feasible;
- (c) Developer Selection Process begins with the establishment of evaluation criteria, then the type of developer team which must include a San Francisco-based nonprofit housing developer with requisite qualifications, experience, and capacity, an architect, a property manager, and a supportive services provider, and these next two steps:
 - (i) Creation of a Selection Panel composed of persons with expertise in area of development and a representative of Northeast Waterfront Advisory Group ("NEWAG") to review, evaluate and rank proposals received; and
 - (ii) Final Selection Decision which lies with the Housing Office Director.

The design and development guidelines reviewed in the July 21, 2015 community workshop provide design direction for:

- Building up to the allowable 65 foot height;
- Sculpted building height and massing that steps down towards adjacent lower buildings;
- Mid-block alley public space;
- Building ground floor treatments that is visually interesting and pedestrian-friendly;
- Setbacks from the street to promote active street use, and breaking up the Front Street building facade;
- Compliance with Secretary of Interior Historic Preservation Standards for compatibility within the Northeast Waterfront Historic District; and
- Minimizing parking

Port staff recommends endorsement of the proposed RFP.

BACKGROUND

Site description and Allowed Use

The Site (SWL 322-1) is bounded by Broadway, Front and Vallejo Streets and buildings to the east as shown in the attached Exhibit "A." The Site is a paved, flat, rectangular land parcel, approximately 37,810 square feet in area; and it is currently being used as surface parking under lease to Priority Parking. Current zoning for the Site is C-2 (Community Business), which allows residential as a permitted use. Ground floor retail and podium or underground parking may be appropriate companion uses subject to being found feasible during the entitlement process. The Site is in the City's Northeast Waterfront Historic District and a 65-foot height limit applies to the Site. Currently the Site generates about \$585,600 annually or \$48,800 per month in rental revenue to the Port.

Key-Provisions of the MOU

Assembly Bill 2649 (2012, Tom Ammiano) ("AB 2649") permits lifting public trust use restrictions from SWL 322-1 and allows it to be developed for affordable housing. The Board of Supervisors ("Board") adopted Ordinance No. 232-12 authorizing the Port to enter into below-market leases with the Housing Office for affordable housing development on seawall lots that are not subject to trust land use restrictions, including the Site. These two pieces of legislation created the authority to develop affordable housing on Seawall Lot 322-1 through the Housing Office and for the Port to receive the Site's fair market rental value through the combination of rent payments and Jobs/Housing credits. The Port and the Housing Office entered into the MOU, which among other things, provides for the Housing Office to manage a solicitation process to secure an affordable housing developer and lead development negotiations with the selected developer and for the Port to lease the Site to the developer selected by the Housing Office for the development of affordable housing on the Site; and for Port to receive Jobs/Housing credits equal to the difference between the actual rental rate and the fair market rental value of the Site.

During the negotiation period with the selected developer, Port staff will work with the Housing Office and the developer to test the feasibility of including public parking in the project. The Housing Office and the selected developer are responsible for funding the project's predevelopment, construction, and operation phases, except for the public parking garage incremental construction cost if Port determines, at its sole discretion, that the garage is feasible. Ground floor retail is anticipated as a design solution to screen parking and activate the street. Architectural design is subject to the review process applicable to the Site (review by City Planning Department, Waterfront Design Advisory Committee, Historic Preservation Commission, Office of Historic Preservation, and State Lands Commission).

Housing Office's Role and Responsibilities

The MOU provides for the Housing Office to solicit and select the affordable housing developer; address the project's overall financing needs, and its potential funding sources; cover developer solicitation cost; negotiate development transaction documents; and plan and manage project delivery, including the project timeline for attaining performance benchmarks. It is to lead public outreach and follow the Port's

and City's public offering process that typically requires competitive bidding, ample public notice to make the public aware of the offering opportunity, local business participation requirements, public hearings, etc.

Port's Role and Responsibilities

The Port will assist the Housing Office in its negotiations with the developer regarding the garage and lease terms and in seeking stakeholders' support and State Lands Commission's approval. Even though the Port is delegating its required solicitation obligation to the Housing Office, it will assist the Housing Office in the developer solicitation process to ensure compliance with all applicable Port's Policies. Pursuant to the terms of the MOU, the Port will not select the affordable housing developer. The Housing Office will select the developer given its affordable housing production, management and preservation mandate and also as provided in the MOU. The Port will not pay any cost of the Development, except for the Site appraisal cost and the incremental cost of public parking if such parking is deemed feasible at the Port's sole discretion.

Developer solicitation process:

To promote community participation and to ensure openness and transparency in the development process, the MOU requires the Port and Housing Office to consult with NEWAG and other neighborhood groups in the planning of the development, including forming a working group to review and comment on the proposed RFP's goals and objectives. The RFP selection process allows one voting-member from the working group to be part of the selection panel that will help review, evaluate, and rank proposals from respondents to the RFP. The Housing Office will make the final decision on selection of a non-profit developer.

Project Timeline

The MOU provides for one-year to complete the developer solicitation process and two years for feasibility testing including entitlement. The Housing Office had planned to issue the RFP in April 2015 as specified in the MOU; but, because additional time was needed to further address stakeholders' comments about design issues and income targeting, working with Supervisor Julie Christensen, the Port's Executive Director granted a six-month extension that the Housing Office had requested. The extension moved the deadline for issuing the RFP from April 2015 to October 31, 2015.

HIGHLIGHTS OF THE PROPOSED RFP

RFP Development Program

Housing: Approximately 150 to 190 rental housing units for families and seniors, assuming the SFDPW site can be included in the Development. The Development will have supportive services and occupancy preferences will be established for Certificate of Preference Holders, San Francisco residents, and non-San Francisco residents coupled with income-targeting to maintain affordability.

Community Benefit: To the extent feasible, community-oriented amenities would be provided, such as a child care facility open to non-resident children, an after-school

program open to older non-resident children or a senior center open to non-resident seniors.

Commercial Uses: Ground floor active commercial uses along all four street frontages (assuming the SFDPW site is included) are to be included with preference for neighborhood serving retail such as a cafe, small market, community room, hardware store, or bookstore.

Public Parking: To the extent feasible, public parking would be included which would be Port financed and separately leased to a Port-selected parking operator to generate revenue to support Port operations.

Financing Plan and Project Cost

Respondents to the RFP are required to submit a financing plan for the Development's family and senior housing components. Any commercial space and non-housing parking are to be separately financed since they are not eligible for affordable housing funds. Port staff anticipates that the projected total cost for parking spaces available for Port's public parking purposes, will depend on the number of such spaces. At projected cost per parking space of between \$30,000 and \$55,000, total development cost of public parking is estimated at between \$1,200,000 and \$6,000,000 for 40 to 110 parking spaces, respectively. Port staff is researching options for funding the public parking, and the options will be part of the feasibility analysis that the Port will consider in its sole discretion in deciding whether to include public parking in the Development. The next major step in determining the public parking feasibility is Spring 2016 when respondents' submittals that include architectural schematic drawings will be evaluated.

Selection Process

The Housing Office's developer selection process is similar to the Port's and consists of the following steps:

Establishment of Selection/Evaluation Criteria: The RFP requires each respondent to be a team consisting of a San Francisco based non-profit developer or qualified San Francisco based for-profit developer working in partnership with a San Francisco based non-profit developer, their architects, property manager and a supportive services provider. The following are the key minimum qualifications and capacity required of the applicable team member:

The Developer:

- A minimum of five years of experience in new affordable housing development entitlement, construction and ownership in San Francisco, project funding with low income tax credits ("LIHTC"), and housing targeted for very low and low-income families and seniors.
- Demonstrated capacity of having completed a new multifamily housing construction of at least 75 units in size and at least partially Type I construction type.

- 10 years of experience with development of new affordable housing for low income seniors and families.
- Experienced in using low income housing tax credits to finance the projects

Lead Architect:

- Lead-architect must have designed and completed construction or entitlement of at least two large mixed-use residential/commercial projects with a minimum of 75 units for family and senior housing.
- 10 years of experience with at least one Type I construction in San Francisco and one project that involved Historic Preservation for which a Certificated of Appropriateness was obtained.

Property Manager:

- Proposed property manager for the family housing must have managed at least three affordable family rental projects including at least one in San Francisco with at least a minimum of 75 units each for over two years.
- Proposed property manager for the senior housing must have managed at least three affordable senior rental projects including at least one in San Francisco with at least a minimum of 50 units each for over two years.

Property Supportive Services Provider:

- Proposed supportive services provider for the non-homeless units must have at least three years of experience providing supportive services to low-income families and seniors in San Francisco preferably in the general vicinity of the Site.
- Proposed supportive services provider must have three years of experience of linking clients to the City's safety net of services and support their efforts to access those services). It must also have at least three years of experience of providing case management and comprehensive services for formerly homeless families and formerly homeless seniors.

Other Key Evaluation Criteria, including Submission of:

- A proposed development concept showing possible reconfiguration of the Site and SFDPW for a more efficient layout of the family and senior housing developments
- Proposed financing plans that covers sources and uses of funds and a request for predevelopment funding by the Housing Office
- Proposed Cost control and innovation measures cost efficiency and time savings, and
- Proposed support services plan.

Request for Proposals: Housing Office staff is preparing to issue next month the RFP requiring submittal of qualifications, development proposal, and a financial proposal.

Evaluation of Proposals: A Selection Panel appointed by the Housing Office Director and composed of persons with expertise in the areas of development, affordable housing financing, architecture, property management and resident supportive services, (at least one of which will represent the NEWAG) will review, evaluate, and rank respondents and their proposals for responsiveness to the RFP. Respondents may be required to make a presentation to the Housing Office or its committee at a meeting or at a community meeting, or both. The Housing Office plans to allow one voting-member from NEWAG or the working group to be part of the Selection Panel. It will make the final decision selecting a non-profit developer. It may choose to use an exclusive negotiation agreement ("ENA") or a predevelopment loan agreement to set the terms and conditions for its exclusive negotiations with the developer selected. No "term sheet" is required for Housing Office developments.

Approval Process

The Housing Office staff will lead the negotiation with the selected developer and Port staff will assist in the negotiation of the proposed lease between the Developer and the Port. The selected developer will enter into a 75-year lease with the Port to build the project. The lease will include the delegation of day-to-day lease management regarding the affordable housing aspects to the Housing Office to enable monitoring of compliance with applicable affordable housing regulatory requirements. Housing Office development projects are exempt from making findings of fiscal responsibility and feasibility. The selected developer will be responsible for securing all regulatory approvals for the project. While the Port will support the environmental review and entitlements process, the responsibility and cost of obtaining these approvals will be borne by the developer. Upon completion of any required environmental review and finalization of negotiations by Port Staff, the Port Commission will consider the lease and related documents for approval. The lease will also be subject to approval by the San Francisco Board of Supervisors.

Issuance of the RFP does not commit the Port Commission to approve any project, enter into a lease with a selected developer or take any other action. The Port will not take any discretionary actions in connection with this project until it has reviewed and considered environmental documentation prepared in compliance with the California Environmental Quality Act (CEQA).

Projected RFP Schedule and Next Steps

Housing Office staff is planning to issue the RFP in October 2015. Some of the key expected dates in moving forward the proposed development are as follows:

RFP issued by the Housing Office	October 2015
Submittal deadline	Jan. 2016
Evaluation of proposals and Developer Selection	February to March 2016
Presentation to Port Commission of Selected Developer	April 2016
Completion of Lease Negotiations	Spring of 2017
Port Commission approval	Summer of 2017

The above schedule is an estimate and may vary. Port staff will provide updates to the Port Commission during the predevelopment period on as needed basis. If there is substantial deviation from the current timeline of two years to complete entitlements, Port staff will apprise the Port Commission accordingly.

COMMUNITY OUTREACH

The Housing Office, with assistance from Port staff, has conducted extensive community outreach through multiple community meetings, written communications, and a community design charrette to solicit comments and feedback from stakeholders towards forming general consensus on the proposed RFP goals/objectives. We have made presentations about the proposed project design guidelines to the Northeast Waterfront Advisory Group ("NEWAG"), and held 11 working sessions, averaging two-hours per session, for the working group formed specifically to assist in developing the design guidelines to include in the RFP. The working group includes representatives of the Barbary Coast Neighborhood Association, the Telegraph Hill Dwellers, and the Southern Telegraph Hill Neighborhood Association. All of these outreach efforts culminated in a community design charrette which helped evolve consensus on urban design issues, including the above-noted guidelines for building massing, active ground level uses, transparency and design features compatible with the historic district. The Housing Office staff presented the proposed design guidelines to NEWAG at its September 9, 2015 meeting and NEWAG was supportive of the guidelines.

The key design and development guidelines with community consensus proposed for the RFP is presented in the Executive Summary section of this staff report.

RECOMMENDATION

Port staff recommends that the Port Commission approve the attached Resolution endorsing a Request for Proposals for the Housing Office to solicit a developer for development of affordable housing on Seawall Lot 322-1, located at Broadway and Front Streets.

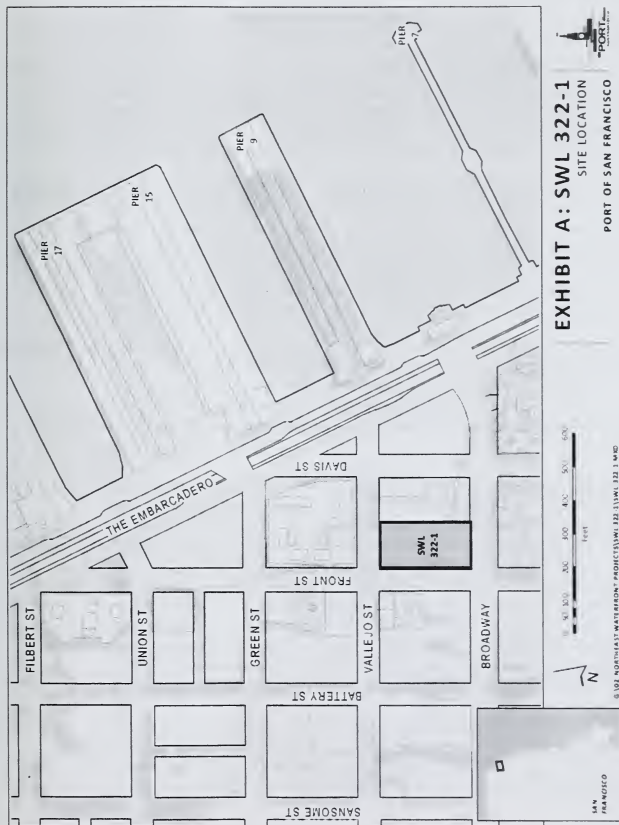
Prepared by: Ricky Tijani, Manager
Planning & Development

Through: Diane Oshima, Assistant Deputy Director
Waterfront Planning

For: Byron Rhett, Deputy Director
Planning and Development

Attachments: Exhibit "A" Site Map

Exhibit "A" Site Map



**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 15-34

- WHEREAS, Charter Section B3.581 empowers the Port Commission (the "Port") of the City and County of San Francisco (the "City") with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction subject to the common law public trust for commerce, navigation, and fisheries and the Burton Act trust; and
- WHEREAS, Senate Bill 815 (2007, Carole Migden) ("SB 815") authorizes, among other things, the Port to lease certain designated seawall lots for non-trust purposes, for of up to 75 years at fair market value to generate revenues for preservation of the Port's historic structures, construction and maintenance of waterfront plazas and open space required by the San Francisco Waterfront Special Area Plan of the Bay Conservation and Development Commission, and other trust-consistent uses; and
- WHEREAS, Assembly Bill 2649 (2012, Tom Ammiano) (AB "2649") adds Seawall Lot 322-1, an approximately 37,810 square foot land parcel bounded by Broadway, Front, and Vallejo Streets and buildings to the east, Assessor's Parcel No. 0140-007 (the "Site"), to SB 815 to the designated seawall lots that may be leased for nontrust uses under SB 815; and
- WHEREAS, AB 2649 authorizes the Port to provide a rent credit or other waiver or deferral of rent in connection with the nontrust lease of Seawall Lot 322-1 for an affordable housing development at an effective rent that is below fair market value if the State Lands Commission ("SLC") finds that: (1) the nontrust lease is for affordable housing and, if the affordable housing is within a mixed-use project, no part of the rent credit, waiver, or deferral is applied to the rent for the other uses; and (2) the Port is entitled to apply the value of the rent credit, waiver, or deferral that it provides for the nontrust lease of Seawall Lot 322-1 as an offset against fees or other exactions or obligations that would otherwise be levied or imposed on development projects at Pier 70; and
- WHEREAS, The San Francisco Mayor's Office of Housing and Community Development ("Housing Office") is responsible for the production and management of affordable housing citywide and the City's Housing Trust Fund under the Jobs-Housing Linkage Program ("JHLP"); and

- WHEREAS, Developers of large-scale entertainment, hotel, office, research and development, and retail developments in San Francisco are required to mitigate the demand for affordable housing created by their development projects by either contributing land or money to an affordable housing developer or paying an in-lieu fee to the Housing Trust Fund; and
- WHEREAS, The Housing Office periodically publishes the rates for calculating the in-lieu fee, and proposed projects at Pier 70 and other anticipated developments on Port land will be subject to significant JHLP fees; and
- WHEREAS, The Board of Supervisors (the "Board") adopted Ordinance No. 232-12 to implement AB 2649, which Ordinance authorizes the Port to enter into below-market leases with the Housing Office for the Port land from which trust use restrictions have been lifted for development of affordable housing; and
- WHEREAS, On March 11, 2014, the Port Commission adopted Resolution No. 14-16 authorizing a memorandum of understanding with the Housing Office ("MOU") providing that the Housing Office would solicit and select a developer for development and lease of an affordable housing project on Seawall Lot 322-1 (the "Development") and that Port would receive JHLP credits that it could apply to Port JHLP obligations payable for future development on Port land in an amount equal to the difference between the actual rents and the fair market rental value of SWL 322-1; and
- WHEREAS, The MOU, among other things, delegates the developer solicitation and selection process obligations to the Housing Office and provides a performance schedule for achieving certain benchmarks including issuance of a request for proposals ("RFP") for soliciting a developer for affordable housing on the Site; and
- WHEREAS, To promote community participation and to ensure openness and transparency in the development process, the MOU requires the Port and Housing Office to consult with Northeast Waterfront Advisory Group and other neighborhood groups in the planning of the Development, including forming a working group to review and comment on the proposed RFP's goals and objectives and for the RFP selection panel to include one voting-member from the working group; and
- WHEREAS, Since the MOU approval, the Housing Office, with assistance from Port staff, has conducted extensive community outreach through multiple community meetings, written communications, and a community design charrette to solicit comments and feedback from stakeholders towards forming general consensus on the proposed RFP goals/objectives, and it has received comments and feedback, and there is now a community-

based consensus on the goals/objectives to include in the proposed RFP; and

- WHEREAS, The RFP key elements include goals/objectives, development program, the developer selection process, and the use of selection panel and are discussed in further detail in the companion staff memorandum dated September 17, 2015; and
- WHEREAS, The key RFP design and development guidelines, derived from the RFP goals/objectives, include: building within the 65-foot height limit; height/massing that creates a sculpted building that steps down towards adjacent lower buildings; public access to open space or within public view; massing that avoids blank spaces and is visually interesting; setback from the street to promoted active street use; broken-up façade along Front Street; compliance with Secretary of Interior Standards for compatibility with the Northeast Waterfront Historic District; minimized parking; hardscaping of midblock alley ways to reduce loitering concerns; and compliance with all other applicable regulatory requirements; and
- WHEREAS, Evaluation/developer selection criteria highlights include (i) minimum required experience and capacity are established for respondents responding to the RFP, including forming a development team consisting of a San Francisco based non-profit developer or qualified San Francisco based for-profit developer working in partnership with a San Francisco based non-profit developer, the team architects, property manager, and a supportive services provider; and (ii) other key factors that cover proposed development concept, financing plan, cost control and innovations, and support services plan; and
- WHEREAS, The Housing Office has drafted an RFP that includes the foregoing goals/objectives, evaluation and selection criteria, and has requested the Port Commission endorsement so that the RFP can be issued by October 2015 (estimated); now, therefore, be it
- RESOLVED, That the Port Commission endorses the RFP as described in the Port staff's memorandum dated September 17, 2015; and urges the Housing Office to take all steps needed to move expeditiously to provide much needed affordable housing at the Site.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of September 22, 2015.

Secretary



MEMORANDUM

September 17, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Doreen Woo Ho

FROM: Monique Moyer
Executive Director *M. Moyer*

SUBJECT: Informational Presentation on the Public Participation and Process for the Waterfront Land Use Plan Update

DIRECTOR'S RECOMMENDATION: Informational Presentation

Executive Summary

The Port of San Francisco's Waterfront Land Use Plan (Plan) outlines goals and policies for the use and improvement of the 7½ miles of waterfront property under Port jurisdiction. The Port has initiated a public process to update the Waterfront Land Use Plan (Waterfront Plan Update) which includes the creation of a regionwide Waterfront Working Group and specialty Advisory Teams providing technical support, as more fully described herein.

Previous Port staff reports and public presentations¹ provide the history and details of work completed over the past year to review the transformation of the Port waterfront since the Port first adopted the Waterfront Plan in 1997. These reports also frame many of the issues staff expects to address during the upcoming public discussions for the Waterfront Plan Update.

THIS PRINT COVERS CALENDAR ITEM NO. 14B

¹ April 14, 2015 Port Commission Presentation and staff report:
<http://sfport.com/modules/showdocument.aspx?documentid=9669>;
May 26, 2015 Port Commission Presentation and staff report:
<http://sfport.com/modules/showdocument.aspx?documentid=9823>

Background

With the Port Commission's support and guidance, Port staff conducted an extensive outreach process to solicit citizen participation in the Waterfront Plan Update process. Our goal has been to ensure a robust and transparent public process that maximizes opportunities for interested parties to become informed about and discuss Port land use opportunities and challenges.

The Port received 128 applications from San Francisco and Bay Area citizens to serve on the Waterfront Plan Working Group (Working Group) and/or 7 Advisory Teams. Port staff is very pleased and appreciative of the widespread interest reflected in the number of submittals, and the range of backgrounds and perspectives offered. It has been challenging to winnow down the applications to Working Group and Advisory Teams that are both representative and a manageable size. We are grateful such diverse, experienced and dedicated citizens and professionals expressed a deep level of community interest in the future of the Port waterfront, and we look forward to working together.

The Working Group will hold public meetings that will serve as the forum for public discussions about land use and policy issues for the Waterfront Plan Update. Advisory Team members will focus on specified topical areas, as needed throughout the public process: Maritime; Recreation/Open Space; Resilience; Transportation; Waterfront Urban Design; Financial/Economic; and Land Use Mix/Neighborhoods. Attachment 1 lists the 32 Working Group and 53 Advisory Team members, and includes maps indicating the San Francisco Districts, other cities and zip codes where members reside.

The Working Group's public meetings will begin with a Waterfront Vision session on October 19, 2015, to be held at the James R. Herman Cruise Terminal at Pier 27. All interested members of the public are welcome and encouraged to attend. This Vision session will focus on thoughts, ideas and discussion about how the public experiences the Port Waterfront today and how it might be improved for future generations. The Vision session ideas provide a touchstone that will be reviewed over the course of the planning process.

Port staff also plans a waterfront boat tour on Sunday, November 1, 2015 so the Working Group, Advisory Teams and interested citizens can view and experience the entire Port waterfront from the perspective of San Francisco Bay. This public boat tour will require an RSVP because the number of passengers will be limited by vessel capacity.

The public process will continue with a series of Working Group meetings from November onward. Attachment 2 provides an updated timeline of topics planned for each of the meetings, subject to modification as the process unfolds. Port-wide issues will be addressed first from November 2015 to Fall 2016, followed by neighborhood-level planning discussions for the Northeast and South Beach Waterfront areas from Fall 2016 to Spring 2017.

The Port will maintain information on the Waterfront Plan Update on our website at www.sfport.com/wlup including details about meeting dates, times, and locations. Anyone interested in receiving email notices of public meetings on the Waterfront Plan Update may do so by entering contact information online under "Waterfront Plan Interested Citizens" at: <http://sfport.us6.list-manage.com/subscribe?u=0b980a9210b3deb295a5b48ce&id=07774ef87a>

Waterfront Working Group and Advisory Teams

As noted above, the Port was pleased to receive submittals from 128 people interested in serving on the Working Group and/or Advisory Teams. It was heartening to find that the applicants represented a broad geographical distribution within San Francisco, as well as other Bay Area residents. As articulated in the Waterfront Land Use Plan, the Executive Director makes appointments to Port community advisory committees². The Executive Director and staff from the Planning & Development Division carefully reviewed each application. Staff strove to ensure ethnic diversity, a wide range of expertise and interests, as well as a balance of participation from those who know the Port well and those who want to understand the Port better. The members selected to participate in the Working Group and Advisory Teams are presented in Attachment 1 and include representatives from all 11 San Francisco supervisorial districts, and thus a wide spectrum of San Francisco's neighborhoods.

There are 32 members on the Working Group. Because State regulatory requirements have a significant impact on Port land use policy, two of the Working Group positions are held by BCDC and State Lands Commission staff members.

The Working Group public meetings will be structured to allow a balance of audience participation as well as discussion among Working Group members. Working Group meetings are expected to be held once, or sometimes twice per month, for 18-24 months. Meeting dates will be posted online at www.sfport.com/wlup, and noticed by email to those who subscribe to the Port's email list. Most meetings will be held at the Port's office at Pier 1.

In addition to the Working Group, 53 applicants have been selected to serve on 7 Advisory Teams, expanding public participation and providing an important resource to Port staff and the Working Group throughout the update process. Port staff recognizes that the Working Group discussions are likely to raise questions about technical or neighborhood issues that may be too detailed to address during Working Group meetings, or may require additional subject matter expertise, research, and analysis. The Advisory Teams have been established to help fill these needs. Information and input from the Advisory Teams will be reported back in Working Group public meetings for public discussion. There is no pre-set meeting schedule for the Advisory Teams. Their meetings will be scheduled on an as-needed basis to prepare for and/or respond to issues discussed in Working Group meetings.

² Waterfront Land Use Plan, p.183A

Planning Process

As indicated in Attachment 2, the public process will start with a review of Port-wide planning, land use and policy topics scheduled for Working Group meetings from November 2015 to Fall 2016. These public discussions are intended to provide Port staff and the public with a holistic understanding of the context within which Port land use decisions are made, to ensure informed recommendations about policy updates for the Waterfront Plan. Topics will address the diverse conditions of the Port waterfront, including its physical, economic and cultural relationships with adjacent neighborhoods, the City and Bay Area region at large, and the scope of the Port's responsibilities and regulatory constraints. This context also is important to understand in advance of the neighborhood-level planning and recommendations for the Northeast and South Beach Waterfront areas, scheduled from Fall 2016 to Spring 2017.

Port staff plans to provide status reports to the Port Commission at key milestones throughout the update process, which can be supplemented at the Port Commission's direction:

- April/May 2016 - Status report on public discussions about the challenges of maintaining and improving the Port's aging historic facilities, including how to address seismic risk and flood protection
- October 2016 – Status report on preliminary recommendations to address Portwide issues
- March/April 2017 – Status report on Working Group recommendations for the Northeast and South Beach subareas, Portwide issues and policies, and recommended next steps.

Next Steps

Port staff looks forward to launching the Waterfront Plan Update public process with a Waterfront Vision session at the James R. Herman Cruise Terminal at Pier 27 on Monday, October 19, 2015, at 6pm. This session will focus on thoughts, ideas and exchange about how the public experiences the Port Waterfront today and how it should be improved for future generations. All interested members of the public are welcome and encouraged to attend. A meeting notice will be emailed in advance of the Vision Session and posted on the Port's website. Those who are not able to attend will have the opportunity to provide their ideas online. The Vision session ideas provide a touchstone that will be reviewed over the course of the planning process.

Port staff also plans a waterfront boat tour on Sunday, November 1, 2015 to view and experience the Port Waterfront from the San Francisco Bay perspective. The boat tour will be open to the public as well as the Working Group and Advisory Team members, but attendance will require an RSVP and be limited by vessel capacity.

The Port will maintain information on the Waterfront Plan Update on our website at www.sfport.com/wlup, including details about meeting dates, times, and locations.

Anyone interested in receiving email notices of public meetings on the Waterfront Plan Update may do so by entering your contact information online under "Waterfront Plan Interested Citizens" at:

<http://sfport.us6.list-manage.com/subscribe?u=0b980a9210b3deb295a5b48ce&id=07774ef87a>

Prepared by: Diane Oshima
Assistant Deputy Director, Waterfront Planning

For : Byron Rhett
Deputy Director, Planning & Development

ATTACHMENTS:

Attachment 1 List of Working Group and Advisory Team members

Attachment 2 Updated timeline

Port of San Francisco
Waterfront Land Use Plan 2015-16
Working Group & Advisory Team Rosters

Waterfront Plan Working Group Roster

City/ Region

Kirk Bennett
Earl James
Ken Kelton
Tom Radulovich
Linda Fadeke Richardson
Alice Rogers
Jasper Rubin
John Tobias
Anne Turner

Maritime

Carolyn Horgan

Public Access

Jacquelyn Omotalade

Environment

Grant Ballard

Historic Preservation

Mike Buhler/ Aaron Hyland
(alternate to Mike)

Urban Design/ Land Use Planning

Jon Gollinger
Stephanie Greenburg
Ron Miguel
Peter Summerville

Labor/ Workforce

Chris Christensen

Business & Tourism

Dee Dee Workman
Kevin Carroll

Economy/ Finance

Rudy Nothenberg
Jeffrey Congdon

Resiliency

Dilip Trivedi

Transportation

Janice Li
Christina Rubke

NEWAG

TBD

CWAG

Corinne Woods

MCAC

Ellen Johnck

SWAC

TBD

FWAG

Frank Rescino

State Lands

Reid Boggiano

BCDC

TBD

Port of San Francisco
Waterfront Land Use Plan 2015-16
Attachment 1.1: Working Group & Advisory Team Rosters

Waterfront Plan Advisory Team Roster

Resilience

Max Loewenstein
Keith Primdahl
Teresa Rea
Justin Semion
Bill Tremayne

Recreation/ Open Space

Bo Barnes
Suzanne Bushnell
Stuart Hills
Pia Hinckle
Barry Kendall
Kenneth Ogle

Transportation

Bruce Agid
Holly Friedman
Mike Gougherty
Kyle Lamson
Peter Martin
Nathan Nayman

Financial/ Economy

Alan Entine
Scott Gentner/ Taylor Safford/ Kathy Paver
Kurt Kober
Viv Shifei Li
Tom Lockard

Maritime

Lawrence Beard
Joe Burgard
Taylor Lewis
Veronica Sanchez
John Super
David Thomas
Tom Walker
Joe Wyman

Waterfront Urban Design

Claire Bonham-Carter
Steaven Campbell
Charles Chase
Patricia Fonseca
Melissa Jones
Ellen Lou
Adam Mayer
Cass Smith
Richard Tsai
Howard Wong
Urban Works Agency

Land Use Mix/ Neighborhood Planning

Joe Boss
Tim Colen
Stan Hayes
Stephanie Greenburg
Melissa Litwicki
Don Neuwirth
Amy Patrick
Chris Tolles
Dale Riehart
Patrick Valentino
Fran Weld

Attachment 1.2 Working Group Members

September 14, 2015



2015

2016

2017

Oct

Nov

Dec

Jan

Feb

Mar

Apr

May

June

July

Aug

Sept

Oct

Nov

Dec

Jan

Feb

Mar

Apr

Waterfront Plan Working Group

Approval Process

Portwide Issues

Orientation & Analysis

Oct

Waterfront
Visioning &
Boat Tour

Nov

Waterfront Plan Overview

Dec

Port Governance Overview

Jan

Maritime Commerce

Feb

Design & Open Space

Mar

Port Real Estate &
Development

Apr/May

Historic District, Pier
Condition, Resiliency

May/June

Port Financial

June

Transportation

Subarea Planning

Northeast Waterfront & South Beach

Oct 2016

Site Tours
Acceptable Land Uses
Policy Discussion

Oct 2016

Preliminary
Recommendations on
Portwide Issues

Spring 2017

Final Policy
Recommendations

Anticipated Port Commission Briefings:

◆ May/June 2016

◆ Oct 2016

◆ Mar 2017

9/11/15

Waterfront Land Use Plan Update
I: Waterfront and Urban Update 2015 Port Commission Staff Report May 2015 Graphics: PhotoStudiosNY115



**SAN FRANCISCO
PORT COMMISSION**

**SEPTEMBER 22, 2015
MINUTES OF THE MEETING**

MEMBERS, PORT COMMISSION

HON. LESLIE KATZ, PRESIDENT

HON. WILLIE ADAMS, VICE PRESIDENT

HON. KIMBERLY BRANDON

HON. DOREEN WOO HO

GOVERNMENT
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MONIQUE MOYER, EXECUTIVE DIRECTOR

AMY QUESADA, COMMISSION SECRETARY

CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

MINUTES OF THE MEETING SEPTEMBER 22, 2015

1. CALL TO ORDER / ROLL CALL

Port Commission President Leslie Katz called the meeting to order at 2:05 p.m. The following Commissioners were present: Leslie Katz, Kimberly Brandon and Doreen Woo Ho. Commissioner Willie Adams was not present.

2. APPROVAL OF MINUTES – September 8, 2015

ACTION: Commissioner Woo Ho moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor. The minutes of the September 8, 2015 were adopted.

3. PUBLIC COMMENT ON EXECUTIVE SESSION

4. EXECUTIVE SESSION

A. Vote on whether to hold closed session.

ACTION: Commissioner Brandon moved approval; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor.

The Port Commission Secretary announced that Item (1)b Pier 38 has been taken off the calendar.

At 2:06 p.m., the Commission withdrew to executive session to discuss the following:

- (1) CONFERENCE WITH LEGAL COUNSEL AND REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. *This session is closed to any non-City/Port representative: (Discussion Items)

- a. Property: Piers 31–33, located at Francisco and Bay Streets and The Embarcadero
Person Negotiating: Port: John Doll, Project Manager, Planning and Development
*Negotiating Parties: National Park Service: Christine Lehnertz, Superintendent, Golden Gate National Recreation Area

Under Negotiations: ___ Price ___ Terms of Payment ☒ Both

- b. Property: Pier 38, located at Delancey Street and The Embarcadero
Person Negotiating: Port: Elaine Forbes, Deputy Director, Finance and Administration
*Negotiating Parties: TMG Pier 38 Partners, LLC: Michael Covarrubias (THIS ITEM WAS TAKEN OFF THE CALENDAR)

5. RECONVENE IN OPEN SESSION

At 3:30 p.m., the Commission reconvened in open session.

ACTION: Commissioner Brandon moved approval to adjourn closed session and reconvene in open session; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Brandon moved approval to not disclose any information discussed in closed session; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor.

6. PLEDGE OF ALLEGIANCE

7. ANNOUNCEMENTS: The Port Commission Secretary announced the following:

- A. Announcement of Prohibition of Sound Producing Electronic Devices during the Meeting: Please be advised that the ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing of or use of a cell phone, pager, or other similar sound-producing electronic device.
- B. Announcement of Time Allotment for Public Comments: Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

8. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

Jon Golinger - I sent a letter late yesterday and just brought hard copies for you regarding the 8 Washington project, which is not on your agenda today. I'm here to ask you to at least discuss the item today, if not take action and certainly at your next meeting regarding the end to the Exclusive Negotiating Agreement with San Francisco Waterfront Partners.

As I outlined in my letter and I believe you're aware, there's been a resolution to the litigation in the case. It was almost six years ago now that this body approved an Exclusive Negotiating Agreement with a developer for the 8 Washington site. The project has been defeated by the voters. It's been rejected by the courts. Even the Board of the Supervisors this summer rescinded all approvals.

Under the terms that the developer invoked to unilaterally extend the ENA without your input, it was only extended under a force majeure clause that was allowed to continue until the litigation was resolved. It's been more than three months since the EIR has been thrown out by a court. The developer has not appealed in that case. It's over. There was a second decision this last week that I think cemented the deal. Perhaps there was some hope that the State Lands land swap would've remained a live issue but the Court of Appeal threw that out too.

What I want, as a member of the community and what many folks who care about our waterfront and voted against 8 Washington want is to move forward with that site. We don't want a parking lot on a beautiful part of our waterfront for the rest of all of our lives. Until the Port Commission takes the initiative and moves forward, I fear that this developer for their financial reasons will keep the site tied up as long as they can. Let's move forward. There are great ideas to put recreation, things that will make money as well as bring people to the waterfront without blocking it off on that site. I ask the Port Commission to move that forward, if not today, at your next meeting.

Commissioner Katz - Just a note and a reminder to the public, we send out our agenda for our meeting unless there's some exigent circumstances, we're not able to take up an item that hasn't been calendared on our agenda at the meeting without having the prior public notice.

Supervisor Aaron Peskin - Let me reiterate what the previous speaker spoke to which is that I believe the ENA has expired under its terms as once amended by virtue of a vote that you all took. I want to underscore that this process, although it's been somewhat unfortunate, did really make the community start thinking about alternatives, and so there are a number of them out there. They're alternatives that speak to the fact that we understand that the Port of San Francisco is indeed a business enterprise. But there are thoughts out there that if we all work together, we can move forward. It's time to close this chapter of the story and start the next chapter. I look forward to doing that and I think the community does too.

Commissioner Katz - We have a number of people here for the items a little bit later on our agenda. I suggest taking Items 14A and B out of order.

9. EXECUTIVE

A. Executive Director's Report

- Port of San Francisco - Port of the Year Finalist at the Seatrade Cruise Awards in Hamburg, Germany on September 9, 2015

Monique Moyer - I'd like to recognize former City Attorney Louise Renne who's in the audience and I was going to recognize Supervisor Peskin but I think he might have departed already. Thank you all for being here today. We also have a special guest in my colleague John Rahaim who is

the Director of the Department of City Planning who you will hear from in just a moment.

The Port of San Francisco was a finalist for Port of the Year in an International Award Program hosted by the Seatrade Cruise Awards which is sponsored by Oracle Hospitality. This is the industry's premier award program, in its ninth year. It's a chance where all entrants, be them public ports or private cruise lines or anybody who participates in the cruise industry has an opportunity to broadcast their success in the industry and further encourage new business with an internationally recognized mark of excellence and achievement.

This year's award was held in Hamburg, Germany. There are seven categories of awards including the Port of the Year Award. There were a dozen entries for the Port of the Year Award. They're judged by an independent panel of judges of leading industry experts. Sadly we did not win, the Port of Amsterdam won the Port of the Year Award but we were a runner up for the new James R. Herman Cruise Ship Terminal.

We are very proud of that distinction. The award was made on September 9, 2015 and Michael Nerney, our Port Maritime Marketing Manager was there to accept the award in person. I want to congratulate everyone who was involved in the James R. Herman Cruise Ship Terminal Project. It has continued to be highly recognized by the international and local community and Friday will mark its official first anniversary. Although its soft anniversary was last year.

- Foreign Trade Zones Informational Forum – September 15, 2015 from 9 a.m. to 1 p.m. at the Oakland City Hall City Council Chambers

Secondly, I wanted to mention that on September 15, 2015 the Port of San Francisco which is the grantee of Foreign Trade Zone No. 3 together with the City of Oakland which is the grantee of Foreign Trade Zone No. 56 held a free half day forum for anyone interested in learning about the benefits of the Free Trade and Foreign Trade Zones. It was hosted in the City of Oakland City Council Chambers.

There were more than 60 participants who came and attended to hear more about Foreign Trade opportunities. They came from the areas of manufacturing, distributing, logistical companies, refineries, City Economic Development employees, economic forums and associations such as the East Bay Economic Development Alliance. The Port of Oakland was present. The Port of San Francisco was present. The Port of Stockton was present. The U.S. Maritime Administration was present.

Aliza Gallo of the City of Oakland was one of the speakers and our very own Jim Maloney was also one of the presenters. The main presenter was Wayne Coleman who's the President and CFO of FTZ Networks.

FTZ Networks operates Foreign Trade Zone No. 77 which is in Memphis, Tennessee but also provides consulting services for Foreign Trade Zones around the country and is considered one of the foremost authorities on Foreign Trade Zones.

Another presenter was Shannon Kastriotis who is the Foreign Trade Zone Analyst for Tesla Motors and she spoke about her company's experience operating a Foreign Trade Zone site at their Fremont manufacturing plant. Bill Whelan of Matson Global Logistics also discussed their experience having been a participant in the Foreign Trade Zone program for the past 35 years through the Port of, or the City of Oakland.

It was a very well attended and very educational forum. I want to thank Jim Maloney in particular for being not only a sponsor and a host of it, but working tirelessly on the program and ensuring that there was an outstanding turnout. As you know Commissioners, the Port of San Francisco has partnered with Oakland and San Jose to market our Foreign Trade Zone opportunity, and San Jose, which is Foreign Trade Zone No. 18, will be holding a South Bay Foreign Trade Zone Forum in mid-October.

This is an on-going educational process which is very current and very timely and very successful. Congratulations to Jim and everybody involved.

- James R. Herman Cruise Terminal – Awarded Outstanding Airports & Ports Project by San Francisco American Society of Civil Engineers on September 17, 2015 at City Club of San Francisco

I'd like to share with you yet another award for the James R. Herman Cruise Terminal, which is a very prestigious one as well. The terminal was awarded the Outstanding Airports & Ports Project for 2014 by the San Francisco American Society of Civil Engineers, which was awarded in 2015. The American Society of Civil Engineers, San Francisco Section runs from Monterey Bay up to Oregon. It's a pretty wide area. The James R. Herman Cruise Ship Terminal was selected as the Outstanding Airport & Port Project of the year. The award was presented last Thursday evening at the City Club in San Francisco. Kim von Blohn, our Project Manager, accepted the award on behalf of the Port.

The award is bestowed on Marine Port's or Airport designs and construction that showcase advances and/or innovations. It's a very prestigious award and it was bestowed on the James R. Herman Cruise Ship Terminal for a couple of reasons. First is that the terminal is a Leadership in Energy and Environmental Design Gold Rating, so a LEED Gold Standard. It has 88 compliant automated mobile gangways which meet varied door heights of cruise ships and tidal cycles.

It has the shore power system which is the cleanest source of power. It has the latest passenger and U.S. Customs and Border Protection perimeter security features. It has fitted glass on the exterior for the safety of sea birds. It has a symphonic roof drain system that captures and stores rainwater and reuses it. It has significant energy efficiency and significant water and storm water efficiency systems. We were very proud to be recognized by the American Society of Civil Engineers for the achievements with this project. Thank everybody involved in making that dream come true.

- San Francisco Bay Conservation and Development Commission 50th Anniversary – September 17, 1965 – September 17, 2015

The San Francisco Bay Conservation and Development Commission 50th Anniversary occurred on September 17, 2015. The San Francisco Bay Conservation and Development Commission was established by the McAttee-Petris Act in 1965 following the grassroots campaign led by Kay Kerr, Esther Gulick and Sylvia McLaughlin. These three women organized to save San Francisco Bay from unchecked filling and development which led to approval of the San Francisco Bay Plan. BCDC was granted permanent authority to protect the Bay and manage responsible development along the Bay shoreline. In its lifetime, it has reduced, reversed fill and increased the Bay by 29 square miles since 1970, dramatically expanded public access from five to 200 linear miles around the Bay shoreline. The Bay has not only become bigger but the water is cleaner and more accessible to the public for recreational enjoyment.

As you know, the Port Commission staff and the Bay Conservation and Development Commission staff work side by side on many projects and planning projects and improvement projects, notably the alignment of the Port's Waterfront Land Use Plan with BCDC's San Francisco Water and Special Area Plan. Our collaborations have led to fundamentally positive public changes such as the Brannan Street Wharf, the Exploratorium and AT&T Park.

BCDC celebrated their birthday by hosting a half day Rising Tide Summit on September 16, 2015 at the Exploratorium. Their goal was to celebrate both their 50th Anniversary but also to look forward. They are widely recognized as a thought leader on rising tides and climate change and they held a fascinating summit on where the future is for rising tides as it may affect the bay. It was a very healthy discussion and a very good celebration.

- Bench at Pier 14 for Kate Steinle

On Saturday, September 19, 2015, Port staff was able to place a bench at Pier 14 with a small plaque in remembrance of Kathryn Steinle. The

plaque says, "Whatever is good for your soul, do that," which is a phrase apparently that Kathryn said quite frequently. That plaque was placed at the entrance of the Pier 14 walkway. We're honored to be able to recognize her in that way. Our hearts and prayers still go out to her family and friends who we know have continued to be very vigilant in wanting her life to be celebrated and memorialized. They came out on Saturday to revel in having this moment of closeness with her.

- In Memoriam – Alvin B. Petrie, Retired Port Head Dredge Leverman

Alvin B. Petrie worked for the Port for 29 years, from September 1953 to July 1982. He worked as a Dredge Leverman and then as a Deckhand. He retired as the Head Dredge Leverman in July of 1982. Alvin passed away August 30, 2015 at the age of 93. He was the father of two including Mike Petrie who is a Port Fusion worker. He is the grandfather of six and the great grandfather of 8. In addition to seeing an immense amount of change along the San Francisco waterfront in his years at the Port, he also saw a tremendous growth in his family. We extend to his family our heartfelt condolences and in particular to our colleague Mike Petrie.

- In Memoriam – Zeke Grader, Executive Director of the Pacific Coast Federation of Fishermen's Associations

Zeke Grader was the Executive Director of the Pacific Coast Federation of Fishermen's Associations. Zeke was a long time advocate for commercial fishing who fought to protect fish as well as the people who catch them. He recently passed away at the age of 68.

He played a very important role in keeping the fish in Fisherman's Wharf. He was a tireless advocate for San Francisco's commercial fishing industry, advocated for the building of Pier 45 after the Loma Prieta earthquake and he served as a Maritime Industry Expert in the formulation of the Port's initial Land Use Plan which was adopted in 1997.

Zeke was born and raised in Fort Bragg. His family ran a fish wholesale business and a weekly newspaper. His dad was aide to the local Congressmen Clem Miller and then Deputy Secretary of Natural Resources to Governor Pat Brown. Zeke went off to college at Sonoma State and in doing so decided to live aboard a houseboat in Sausalito. Then he went off to the Marines and when he came back he went to USF for law school.

Upon graduating from law, he quickly went back to the fishing industry and he organized the Pacific Coast Federation of Fisherman's Association. He received the National Oceanic and Atmospheric Administration's Environmental Hero Award and he is known for his lasting legacy to build a bridge between blue collar fisherman and

environmental communities. He's been a great friend to all of us and he will be deeply missed. Commissioners, I'd like to request that we adjourn your meeting in memory of both Alvin and Zeke.

B. Annual presentation by the City Planning Department Director regarding interagency coordination with the Port of San Francisco for waterfront planning and urban design.

John Rahaim, Director of City Planning Department - I'm glad to be here today. Thank you for having me back. I do enjoy my annual visits here and I look forward to my conversations with all of you. I'm here to talk to you about several items today. Specifically three items that I'd like to get into a bit and in terms of our work with the Port and items that are high on our agenda right now.

1. The growth that we're experiencing in the city and the challenges that we're facing with that growth.
2. The infrastructure programs we're working on address the current backlog of needs particularly around transportation as well as the infrastructure needs of all the growth that we're doing. We are certainly overlapping with your staff on a number of those efforts.
3. The Waterfront Land Use Plan and the collaboration that we're working on with your staff on that effort.

I will start by just thanking Director Moyer and her staff for the collaboration of the last couple of years. I think the relationship is probably stronger than it's ever been. There's a great working relationship at the staff level. I want to particularly thank Diane Oshima, Byron Rhett, Brad Benson and others and Gil Kelley who's my Assistant Director for Citywide Planning for their collaboration and all the work that we're doing together now which is to the benefit of all of us and certainly to the future of the waterfront.

In terms of growth of the city, it's no surprise to anyone who lives here and all the changes happening that the city is changing. It is growing at a rate not seen since World War II. The population growth, the visitor growth and the job growth are all growing at unprecedented levels of almost the last century. The ABAG projections had us projected to grow over the 30 years between 2010 and 2040 by about 100,000 new households or about 200,000 people and 160,000 new jobs.

What is interesting is that the last five years has seen a huge percentage of that growth. The first five years of that period has seen a huge percentage of that growth already happen. We've seen about 10,000 people per year in terms of population. The city has grown by about 50,000 people the last five years. That's already 25% of that 30 year projected growth. More significantly, we've seen almost half of the job projection occur within five years of the 30 year period. We've seen 90,000 jobs in the last five years in the city. That is more than 47 out of the 50 states.

San Francisco's unemployment rate is down to 3.6% which is essentially full employment. I would thank Director Moyer for bringing this up in some recent discussions, the city is now seeing approximately 30 million visitors per year creating huge demand for areas like the waterfront and other areas of the city and creating huge, both intense growth in terms of the economy but also in terms of challenges, in terms of how we address public space and access and public safety.

It is welcome news in many ways, the growth particularly around the unemployment rate and we also know the growth presents some real challenges for us. I also would like to say this period of growth and what's occurring in San Francisco right now is not unique to San Francisco. You've probably all seen this in other cities but there has been a fairly dramatic change in the interest in urban living around the world in the last 10 years.

There is a huge influx of residents to large cities in particular by the Millennials and the Baby Boom generation and it's kind of reversing a half a century trend towards suburbanization. In fact, cities are now growing at a faster rate than suburbs for the first time since the Great Depression. We're seeing a very big change in attitudes about city living. We've seen a dramatic drop in miles driven by Americans because many young people are not driving as much. Many do not even own cars. Many are not even seeking driving licenses.

It's a big paradigm shift in that generation in terms of urban living and their lifestyles. The growth in the city is impressive but it's also important to note that the region is growing tremendously as well. The ABAG projection, while those numbers are significant, the numbers for San Francisco are only 15% of the regional growth. The region is expected to grow by 2 million people by 2040.

Commissioner Katz - Can you put that in context in terms of the numbers in the region currently?

John Rahaim - It's about 7.5 million today. While we are seeing huge numbers in terms of city growth, 15% of the regional growth that will accrue to the city is about what we are today in terms of our percentage of regional population and jobs. We are about 15% of the region's population and jobs, roughly between 14-17% range. It's not out of the realm of possibility or an extreme that we would be seeing this growth given the interest in this region nationally and internationally.

The challenges are substantial and we think that the Planning Department needs to take a bigger role and change our thinking on some of these issues. Obviously the key challenge that we work with a lot with the Mayor's Office and the Mayor's Office of Housing is the issue of affordable housing and equity and the whole issue of inclusiveness in the city. The city is

changing dramatically. The cultural and economic conditions in the city are changing.

We are working with many agencies across the City including the Port on their development sites on these issues of equity, inclusivity, affordable housing and broad access to all City services. Clearly that's a very important issue to the Mayor, to the Planning Commission to you all and to many other people.

The transportation challenges are huge. Not only are we growing the demand on the transportation system and as you may have heard from the MTA, there's a serious backlog of need that needs to be addressed. BART and MUNI are at all time high ridership. They are both approaching capacity on many of their lines. You probably know that the Embarcadero and Montgomery stations are the most heavily used stations in the entire BART system and those stations themselves becoming a capacity issue as ridership on BART continues to grow.

That's a segue way to my second issue which is the infrastructure challenges that we are facing. Obviously, there are three major issues there. One is sea level rise and urban flooding including the seismic vulnerability of your seawall and that is something that we all have to deal with. I know the Director has been trying to talk about this in many different forums for a long time and I applaud her for bringing it up as much as she does because I think it's one of those issues that needs to be addressed by a broad range of constituencies including the Planning Department.

Clearly, the issue of the sea level rise is an important one. With respect to sea level rise we are working on three efforts. One is that we are co-chairing with the Department of Public Works, the Mayor's Sea Level Rise Coordinating Committee. That is a committee that is made up of many different agencies including the Port that meets on a regular basis and is developing guidance for City agencies and the Capital departments.

Secondly we are working to develop a Sea Level Rise Action Plan to cover all boundaries of the city that face the water. We'll include principles, objectives and near and long-term recommendations of how the shoreline might adapt and that includes all jurisdictions that are responsible for the city's shorelines including the Port and others.

Thirdly, and I think perhaps most exciting that we are doing is we are collaborating with your staff to scope what we're calling the 2016 Bay Area Resiliency by Design Challenge. This is the program that is modeled after the Rebuild by Design effort in New York post-Sandy and the idea is to develop a unified vision for an adaptable waterfront. What is interesting about this process is that the waterfront has continually changed. The shoreline and the Bayfront has continually changed in its history and it's going to change again. This is obviously a regional effort. We've been

working with partners in other parts of the region. We're focusing on some public and private philanthropy right now to fund that effort. The idea is to bring the best minds together to co-design innovative solutions for the waterfront that are actually implementable and it will have an extensive public process.

We are currently coordinating the schedule to support the Port's Land Use Plan Update in the process. We are really excited about this. We think it's a great opportunity to focus attention on the waterfront and on this issue of sea level rise. We've been engaged with BCDC heavily and they're very interested in this effort as well.

In the realm of transportation planning, I know many of you are interested in this because it directly affects your properties as well and the access to the waterfront. There are clearly huge challenges that are developing as the city grows and as we are trying to address the backlog. For anyone who needs to cross the Bay Bridge every day, it's obviously a huge challenge right now.

We are doing a number of things. We have formed a partnership with the MTA and the County Transportation Authority to develop a Long Range Transportation Plan for the City. This might sound a little strange but this is the first time the three agencies have formed this direct partnership to develop a Long Range Transportation Plan and I'm very excited about this. We have agreed on the scope. We have agreed on the management structure. We have the funding in place and we are moving ahead with this effort. There will be a high level manager within the Planning Department who will oversee this whole effort. We're very excited about that and about moving forward.

A fundamental building block of that effort is the Waterfront Transportation Assessment which you have all been very heavily involved with and it's going to look very broadly at the entire transportation system, not just at MUNI but BART and all the other aspects of our transportation system including bicycles, pedestrians and so on. The program is very important for us and we're really excited about moving forward to that.

The last thing I want to mention with respect to transportation is what we call the Transportation Sustainability Program. This is a multi-faceted program to address transportation demand that is created by new development. The Mayor introduced legislation recently to amend and upgrade the Transportation Fee that is paid by development. For the first time that fee will apply to residential projects.

Interestingly enough there was a fee in place which you might have heard of called the TIDF or Transportation Impact Development Fee that only applied to commercial development. For the first time it will also accrue to residential development.

The second aspect of that program is Transportation Demand Management. This is actually programs to encourage residents, employers and others to reduce their demand on the transportation system, particularly on cars. It involves a number of educational programs and incentives for developers to encourage their tenants and employers to encourage their employees to use other forms of transportation.

Thirdly there's an aspect of it that depends on some state work but changes to the CEQA works with respect to transportation analysis. We are waiting on new regulations coming from the state that will allow us to improve the way we do transportation analyses of development projects.

The last thing I want to mention with respect to infrastructure and larger scale planning is the Southern Bayfront. There are a number of City departments including the Port and Planning who are working on what we are generally calling the Southern Bayfront which is basically from Mission Creek to the South.

We are trying to coordinate our efforts in terms of major development projects, some of which are on Port property and some are not. Mission Rock and Pier 70 clearly are on Port property but there's also major proposals in the works on the NRG site immediately south of Pier 70 and India Basin adjacent to the Hunters Point Shipyard. Both of those are also in the pipeline for major new development projects. There are four major sites in play amongst all of the other smaller development proposals that are in our pipeline for the Southern Bayfront.

Finally, and thirdly, we are very pleased to be working with your staff on the Update of the Waterfront Land Use Plan. We are in a supportive role there. Your staff is taking the lead appropriately on that. We are helping with some of the process work. We will support some of the working groups and the community workshops that will be occurring around that planning effort, helping to inform conversations about development, design, open space and sea level rise and integrating our work on the sea level rise work with that Waterfront Land Use Plan.

Sue Hestor, attorney for FOGG - We've been dealing with 8 Washington for a long time. I got a response from Director Rahaim which I'm grateful for that neither the Planning Department or Environmental Review has had any dealings with reactivating the 8 Washington site. This is an appropriate place for the Port to say whether you are going forward with that site with the Planning Department because that site is under Port and Planning jurisdiction. Both of you have a role. At the court hearings repeatedly, the representatives from the City and the developer kept saying that they were filing a new application, it would be done really fast. That has been said three court hearings. The attorneys for the Port, the attorneys for the developer kept saying that. Has the Port received any reactivation of 8 Washington from Mr. Snellgrove or Pacific Waterfront Partners?

Bill Hannan, President of the Golden Gateway Tenants Association - My question is very closely related to Ms. Hestor's question and that is whether there have been any requests for appointments with the Planning Department or the Port Commission for reactivation of the 8 Washington or Seawall Lot 351 site?

Commissioner Katz - Director Rahaim, as always, it's a pleasure to have you here and it's exciting to hear about what's happening all across the City and through your department's efforts. You mentioned sea level rise and the citywide interagency efforts, what's being done and where does that fit in on a regional basis?

John Rahaim - There are a couple of efforts that are within the City, specifically the Sea Level Rise Committee that the Mayor has asked us to co-chair is mostly focused on City agencies and the work that the City agencies have to do, especially the Capital departments. The Resiliency by Design is a regional effort. We've been working closely with BCDC and with other communities, Oakland and Berkeley, on this issue to try to get them engaged in the larger effort of looking holistically at the Bay in terms of design efforts that we could put forward to address sea level rise.

Commissioner Katz - It certainly seems in terms of reaching out for any federal funding that doing it on a regional basis may be more successful or fruitful. In terms of transportation assessment, does that also include our water taxis, ferries and other water transit?

John Rahaim - Yes and the goal is to be as comprehensive as possible and we have to look at all the tools in our toolbox as we move forward.

Commissioner Katz - You mentioned there's four major sites on the Southern Waterfront.

John Rahaim - Yes and the two are under your jurisdiction which is Mission Rock and Pier 70. The other two are the site controlled by NRG which is the former Power Plant site immediately south of Pier 70 and then India Basin, which is a project that is being proposed by a private developer in concert primarily with the Recreation & Parks Department who has a park there now and the idea is to expand that park and do roughly 800 units of market rate housing.

Commissioner Katz - With regards to the transportation issue, will all of that be incorporated?

John Rahaim - Yes.

Commissioner Katz - As you mentioned, the expansion of the infrastructure here in the City and so much development going on and the impact, from an air quality standpoint as we see our streets being more and more clogged

and cars idling, that's having a negative impact on our air quality. It's sort of tangential but is there any effort to use the GIS system or some other program that we have at our disposal here in the city to coordinate when streets will be closed or blocked so we don't have traffic backing up?

For example, I think Planning probably has better insight as to when there may be need for cranes coming out and perhaps working in some fashion with DPT, DBI, DPW to use that system to make sure that you don't have multiple streets blocked that are at least heading in the same direction, or at least working it so they respond at different times. We certainly see it along the waterfront with cars then getting backed up along the Embarcadero because they can't get on side streets.

John Rahaim - We work closely with the Public Health Department when we do our Air Quality Analyses of projects. The issue you're raising is a very interesting one which is what happens when you have multiple construction sites. Not only does it have an impact on traffic, but we've heard from a number of neighborhoods who are concerned by impacts on closing sidewalks and taking out lanes of traffic.

Interestingly enough, once it leaves the department, it's hard for us to know exactly when the project is moving forward. The developers can get a permit from DBI but they can choose when to start building. What we have tried to encourage and are helping a little bit is a coordination between DBI and Public Works because those are the two agencies that control that issue in terms of when sidewalks are closed, when lanes are closed and especially with the issue as you raised of multiple construction sites in the same area.

We are trying to encourage a little better coordination there. We recognize in some areas, like the waterfront, Dogpatch, Hayes Valley that this has become an issue more and more as we have so many projects being built at the same time.

Commissioner Katz - Prior to you arriving here, there was a boom of the Street Cut Coordination legislation using the GIS system and requiring everyone that was coming in with projects to coordinate their efforts. There were penalties for not participating so it may be time to review or revive that and get a little bit more focused on that.

John Rahaim – That's a very good idea.

Commissioner Brandon - Thank you so much. I appreciate your report and I appreciate you and your staff working so closely with Director Moyer and her staff and we rely on your expertise heavily on so many different projects.

John Rahaim - My pleasure.

Commissioner Brandon - With the infrastructure and with the growth spurt that we've experienced over the last five years, it sounds like the focus for transportation is going to be, "Anything but cars."

John Rahaim - In a sense, Commissioner, it has to be. The real goal here is to give people real choices because for many parts of the city there's still not a real choice or an efficient choice to not use one's car. That's the real challenge that we face with MUNI and the other transportation agencies. If you look at the streets we have, the streets are probably not going to get any wider. We're in a built up city. Most properties are built to the edge of the right of way so we have to think about other solutions.

In fact, and I'm not sure I have these numbers right, but right now we are at 70% of people driving with 30%, from all trips, not just work trips but city wide, all trips. For us to address the growth and meet the goals and to address the backlog, we need to get that number from 70% to 50%. In other words, MUNI's goal is that half of all trips, whether it's work, shopping, school or whatever, half of all trips are not in cars. That's a huge challenge given the fact that we're already at a higher number now and the fact that we are experiencing all this growth.

The benefit that we have with the current Millennials thinking differently about how they get around is that a lot of them simply aren't driving. Some of the larger employers in South of Market are telling us that a third of their employees ride their bikes to work which is a huge percentage. Bicycle infrastructure is a relatively low cost way of addressing some of the transportation problems. We are looking carefully at that and how we can improve bicycle conditions.

Clearly there is a serious backlog that MUNI has to address, that BART has to address which will not be inexpensive. We're talking multiple billions of dollars to address the need. In the long-term, we need to start thinking now about another crossing of the Bay or other ways of really addressing the regional growth. Because in my view and in the projections of all people, this region will grow by roughly 2 million people whether we plan for it or not. It behooves all of us to plan for it and start making sure that we can address the demand that's going to be created.

Commissioner Brandon - Can you briefly explain the growth that we now have with the affordable housing crisis?

John Rahaim - It's probably where I'm personally spending most of my time along with my colleague Olson Lee at the Mayor's Office of Housing. We are looking at a number of tools. The Mayor has a multi-part, faceted strategy that he's put forward. We are looking at a number of tools. Just to give you a couple of examples of things that we are dealing with.

Currently, the City has what's called an Inclusionary Program, which requires any developer to provide 12% of units on site to people making below a certain level of income. What the Mayor has proposed is legislation that would require developers to increase that percentage but allow it to be for people who make slightly more income to address some of the middle income housing needs. San Francisco, like a lot of cities, is not building virtually any housing for middle income populations. We can build housing at the low levels with subsidy programs, and the market is taking care of people of higher incomes, but the middle income populations are not being addressed.

The Mayor is very interested, as are we, in trying to address that middle income so we're trying to develop programs for developers to bring in units at that middle income level. We've developed, along with the Office of Economic Development and the Mayor's Office of Housing a program looking at public sites, sites that City agencies own, particularly MTA and the PUC, that they no longer need.

We're looking at a number of those sites and we are working right now on a large site in Balboa Park, the former PUC Reservoir that's been vacant for decades that can accommodate a fair amount of housing. Because it is a publicly owned site, we think that we can bring the housing at a lower cost. That would be hopefully the first of many sites where we could bring in some lower cost housing.

We're looking at a program to allow developers Citywide or builders and developers or homeowners to add a modest amount of height or density to their projects in return for providing more affordable housing. It's a program that the State actually requires every City in their State to include in their zoning, what's called a State Housing Density Program that allows a somewhat additional density in return for additional affordability.

Those are just three examples that pop into my head. It is a challenging effort. We think it is important. There's a number of programs across the board that we're working on.

Commissioner Woo Ho - Echoing my colleagues, it's great to have you here and give us an overview which is helpful to us as we look at our particular agenda items at the Port Commission as it relates to the rest of the city. It was great to understand how we stand, not only the growth in this city with the statistics you mentioned but also the regional growth because that ties into a couple of the other comments that you mentioned related to infrastructure and housing across the region, etc.

I'll comment in the same order of the things that you mentioned in terms of the sea level rise. Commissioner Katz already asked a couple of questions. One of the things that I am struck and I know that we have to do this in terms of having both a longer-term and shorter term horizon is that we do spend a

lot of time studying. It's great to have all these interagency studies and working with BCDC and I don't disagree with any of that. Do we have a specific timeline of when we're going to finish the study and decide what we're going to do? Because obviously the execution of the Action Plan is going to be enormous and the cost associated with it and how it's going to be funded, etc. We would like to hear when you come back again or if the Port Commission can have any other presentation, is to understand the action timeline related to sea level rise because I've been hearing about studying this item for some time and it's a real challenge.

I would also relay the same comment on the transportation side. We've had some presentations here from MTA on studying the issues we've had on the waterfront and Embarcadero. We've made some improvements. We obviously have to look at things long-term and also very tactical. We've made improvements for instance for the cruise ship terminal where there was traffic snarled up and down Embarcadero, we started to make some tactical changes.

The transportation issues in this city are currently related to two other factors. There's so much construction going on. I now understand what you said that you give the permit but you don't really know when that permit's going to start and that there are two other departments that are involved. But for the rest of us consumers driving down the street, we can't understand why two streets have construction going on and there's a blockage or PG&E is doing something at the same time. We wonder who's in charge. As residents of the city, it seems like nobody knows how everything is affected. So if there's a better way to coordinate those things. It may be that this has to go on, but perhaps think about the hours when they do it. Why do they always pick rush hour? We see the same issues on the waterfront. These are tactical changes that can make little improvements but they can make a huge difference in the lives of the citizens of San Francisco.

John Rahaim - I appreciate that.

Commissioner Woo Ho - As much as I appreciate anything but cars in the city and bicycles but you mentioned the Bay Bridge. I use the Bay Bridge because I go up to Napa a lot or go down to the South Bay. The issue is not just the city, it's that growth, as you mentioned, in the whole region. We can't get rid of cars. It seems like we're studying like this in silos right now. It's a good thing we're doing it in San Francisco with all the intercity agencies, but how are we doing this regionally as this is a regional issue.

The Bay Bridge traffic issue is not related to the residents of San Francisco. It's a regional growth issue that's happening. Coming in on 101 or 280 is a South Bay traffic issue and we all know it's getting worse. We have to add 15-20 minutes more just to get around the city these days because of construction and increased traffic. I'm wondering how we're going to address the regional issues with the other regional areas and everybody knows on

the Port Commission, I'm a big proponent of water transport to figure out how to do more with the ferries in addition to BART and MTA.

We need to get more people on the ferries and either East/West, North/South or over to Marin. Every agency has their own agenda and they only address their particular issue on a silo basis. I know you can't answer all those questions but we're trying to at least speak up from our agency's standpoint and the Commission's to keep urging the regional stakeholders to address this issue and talk and hopefully to break down some of the silos between all the agencies that are focused on their particular route.

We only have so much influence here at the Port Commission. I'm a little bit on my soap box.

John Rahaim - I might just address that because I think you're spot on. Roads don't end at the city boundary and it makes no sense. We've developed a strong relationship with MTC. We are currently at the table with them on what's called the Core Capacity Study which looks at particularly the Trans-Bay issues, all modes of transportation -- cars, and ferries and buses and BART of course.

You're absolutely right. This is a regional issue. We can't just study transportation within the boundaries of the city, it makes no sense. There are certainly local neighborhood issues that we do have control over but the regional issue is absolutely correct.

Commissioner Woo Ho - We appreciate that and hope that even at the city level we somehow have some coordinated effort to go across to the other regional agencies that do exist.

John Rahaim - Absolutely.

Commissioner Woo Ho - You mentioned another crossing, whether it's under the water or bridge or whatever that's long-term vision but it's required. We're not going to get rid of cars. We're all talking about electric cars, driverless cars. It's still there. It's just a question of how we implement and use and tactically look at some things in the short-term.

What I don't hear enough in the city is about the short-term improvements even the coordination of traffic lights. We sometimes wonder why the lights are not being synchronized more to make the traffic flow faster. Thank you so much for coming because you help us to remind us.

We will do what we can as far as the waterfront is concerned, because we obviously get lots of issues just in terms of just the transportation up and down the Embarcadero and how to free that up. On any given day we know that there are issues but we appreciate having the bigger overview. If we

keep tackling this together and holding hands, hopefully we can make improvements.

Commissioner Katz - Thank you very much. I really appreciate you and your staff being here today and your presentation. We look forward to your next visit next year.

C. Port Commissioners' Report:

Commissioner Brandon - I had the opportunity to attend the Bayview Gateway Park Ribbon Cutting Ceremony along with Director Moyer and President Katz and a lot of Port staff on September 18, 2015. It couldn't have turned out better. Renee Dunn did such a great job of putting everything together. David Beaupre was just phenomenal. He was the Master of Ceremonies, but he is the one that had the vision that made the site what it is today. I personally want to thank him so much.

Also within the park there are quotes from Maya Angelou, and we were so fortunate to have her son there to honor us with his thoughts about how she would feel about the park, having lived in San Francisco and the relationship that she had with San Francisco. It turned out so nice and people didn't want to leave. People were there until 6-7 p.m. having a good time. That's what it's there for. Thank you everyone.

Commissioner Katz - I'll say ditto to Commissioner Brandon's comments. It was really a wonderful event. Please go check out the park. It's beautiful.

Commissioner Katz - If I could ask two items to be explored: (1) Explore drafting some guidelines for us regarding hoteling on cruise ships so that we have some guidelines and policies in place going forward; and (2) Calendar so we have a meeting with legal counsel regarding actions over Seawall Lot 351, if we could get a briefing on that.

10. FINANCE AND ADMINISTRATION

- A. Informational presentation on the Port's Report on Contracting Activity for Fiscal Year 2014-15 (July 1, 2014 through June 30, 2015). THIS ITEM HAS BEEN POSTPONED TO THE NEXT MEETING.

11. MARITIME

- A. Informational presentation on Revised Rules and Regulations, Harbor Berthing License Agreements, Fee Schedule and other Administrative Documents for South Beach Harbor.

Peter Dailey, Maritime Director at the Port - The item before you is an informational presentation on some administrative matters at South Beach Harbor. South Beach Harbor next to AT&T Ballpark has 700 slips, one of the

most beautiful marinas around, which includes a guest dock, Pier 40, South Beach Park.

It was built in 1986 by the Redevelopment Agency on property it leased from the Port. Redevelopment Agencies were dissolved in 2012. We assumed operational responsibility then. Earlier this year in February the Port Commission approved a Memorandum of Agreement with the successor agent to the Redevelopment Agency to transfer the assets and operations of the Harbor to the Port. There's one final transfer responsibility left. It's the final transfer of the three Cal Boating and Waterway loans totaling \$8 million to the Port that should happen in the next month or so.

Since the Port assumed management control of South Beach Harbor, several steps have been taken to stabilize the financial situation and make improvements to the property and to the management of the facility. If you remember, when we took it over in 2012, the Harbor was facing an annual deficit of about \$800,000 a year and we've turned that around through a series of rate increases to this year to expect an operation surplus of about a half a million dollars a year. We expect that surplus to go to over a million dollars next year, and \$1.7 million in 2017 and 2018.

These surpluses are needed as the Port has limiting BCDC public access requirements as well as other capital needs of a facility that is nearly 30 years old. We are monitoring competitiveness of our current slip rates as compared to other marinas in the Bay. We instituted a 22.5% increase over three years. We've also had two annual CPI increases and third coming in January. We are going to undertake an evaluation of our rates, a formal evaluation of rates in the first quarter of the next calendar year and bring those rates, if they are below market, up to market for all boaters going forward with the Port Commission's approval.

The Harbor's approximate nine full-time staff members have transitioned from being Redevelopment employees to being members of the family at the Port. It's been wonderful to have them come to the Port and staff has embraced them and welcomed them. Hopefully they felt very welcome. We have a couple members here who I'll introduce you to in a second. The Harbormaster retired and we recently hired a new Harbormaster Joe Monroe.

The staff has hit the ground running. They've implemented a new paperless invoicing, enhanced security by adding new alarm systems, new CCTV systems, maintenance with the help of Tom Carter and our Maintenance Crew of replacing a baffle wall that was allowing silt to reduce water depth to unacceptable levels, replaced harbor maintenance, or harbor navigation lights with LED brighter lights and they've instituted monthly stakeholder meetings to ensure that the South Beach Harbor community, that they hear what the community wants and we work collaboratively going forward.

Most recently the harbor, Pier 40, the Port Real Estate staff have begun to process leases with the current Pier 40 tenants, bringing them up to market rates. We've added new restrooms. We've cleaned the pier. We are changing out dilapidated storage units and being replaced with new metal storage cages and very important to the community and to Port staff, we're working with a long-time tenant, the Bay Area Association of Disabled Sailors, BAADS, to enlarge their premises at Pier 40 to support access to the Bay for the disabled community.

Those discussions are well underway and we anticipate having that finalized in the next 30 days. BAADS is a cornerstone of public access in the community down there. They do a lot of work with Wounded Warriors and other green organizations and the Port wants to be supportive of them.

Next on our list of what we've done was an update of the Harbor Rules and Regulations and other Administrative Practices. The current Rules and Regulations date back to 1986 when the Harbor was founded. We wanted to begin transferring or transitioning the administrative process so the harborage reflects city and Port systems and policies and to try to have a seamless transition into our financial systems.

In consultation with the City Attorney, Port staff and the Harbor staff have put together new documentation, new sets of Rules and Regulations, Harbor Berthing License Agreements, Statement of Ownership, Fee Schedule, Locker Agreements. These rules are more transitional in nature. This is an evolutionary rather than revolutionary -- they pretty much define the Harbormaster's rules and authority. They identify allowable and prohibited activities in the Harbor, provides how applications are made for berths and how berths are assigned, license transferred or terminated.

Pretty perfunctory stuff, just a little bit more up to date, it took 30 years and when they were originally written. A couple of specific changes, there were some more definitions as to partnerships. Many slips are occupied by boats that are owned by partnerships. The new rules clarify the number of partners allowed in each Berthing Agreement as well as provide sunset provisions and spousal rights.

Before, if a husband or wife or husband and husband owned a boat together and one of them died, the rules stipulated they would have to leave the Harbor so that's been changed to more, actually it's in concert now with the San Francisco Marina's Rules and Regulations at Park and Rec.

Another rule that will be instituted that's new for the Rules and Regulations, we mandate the boats must be sailed. It seemed like an odd rule, but a number of boats sit in that harbor and never move. We don't know if it's for parking or access to AT&T but with a waiting list of over 200 boats, the new rules are that boats must be taken out of its slip at least 10 times a calendar year or the Harbormaster can take away the berthing rights.

Insurance rates have been reviewed by the City's Risk Manager. New policy limits have been instituted and updated and represent standards of the San Francisco Marina and other like marinas. The Harbor staff and the Port staff have worked hard with the Slipholder Association, the advocates for South Beach Harbor and reviewed these rules with them.

We are going to have another public meeting with the South Beach community on October 1, 2015. I want to correct the Commission meeting package that says October 8th, it's actually October 1st at 5 o'clock at South Beach Harbor. This will be advertised well and emails will be sent to all slipholders to gain more input from what we've already received. The new rules have been posted on the Harbor's Web page and an email blast to slipholders was already sent to elicit comments.

We're going to meet with the public again on October 1st to gain further feedback on the new documents and procedures. We anticipate coming back to the Port Commission on October 13, 2015 so we can continue this evolution and transference of the South Beach Harbor into the Port.

Lastly, I'd like to introduce our new Harbormaster Joe Monroe. Joe has been at the Harbor for about three or four years, but he's new as the South Beach Harbormaster and I'll let him introduce himself to the Port and introduce some of his staff.

Joseph Monroe - I'm the current Harbormaster of South Beach Harbor. I started at South Beach Harbor at 2009. Before that, I worked at Marina Bay Yacht Harbor. I also did a little time with Marine Spill Response. Before all that, I spent some time serving our country in the United States Navy.

It's been a pleasure to work with the Port. If I speak on behalf of my staff and myself, we have enjoyed the transition. It has been an honor working with Peter Dailey and Port staff, updating these Rules and Regulations and we think that this will help us in the long run with making sure that the Harbor runs well.

I would also like to take the time to introduce Linda Green. She's our Office Manager at South Beach. She'll be helping us with getting everything prepared and signed with the tenants. It's a pleasure to meet you all and thank you for your time.

Commissioner Katz - Thank you and congratulations and welcome.

Commissioner Woo Ho - I recall in 2012 when we first took over the Marina and the reaction to some of the actions that we took at that time, I still remember we had 41 public speaking cards at three minutes each. I counted them up that day as I was President of the Commission. The fact that there is zero public comment on what we have done thus far speaks volumes and

that we have a new Harbormaster so congratulations again. The fact that we are now continuing to improve how we manage and administer this facility and bring it up to date in terms of the Rules and Regulations.

Some of the changes are needed so that we can have clarification. It is a testament to the fact that while we didn't start off on perhaps the right foot, we had a lot of reaction, very angry people, but over time they've understood hopefully the wisdom of some of the actions that we took. We did hear them on the pricing and that has now been absorbed. We now have a smooth, functioning marina, so that's a testament to all of you and I think to some of the actions that we took at that time.

It's a real delight to sit here today and with zero public comment, to go ahead and recommend the approval of these new rules which make a lot of sense.

Commissioner Brandon - I would like to echo Commissioner Woo Ho. You guys are doing a great job. Joe, welcome. There are a lot of documents here and when you come back, can you just highlight the major changes in each of the documents or just where we were to where we are now.

Peter Dailey - Commissioner, that's a real fair question and we will elaborate more. One of the issues that came about was the old rules were written in 1986 and it was just one page. Now there are many pages as you can tell. But we will do a better job trying to show you any significant changes. The main ones are on partnerships and the license agreement incorporates the City's Rules and Regulations.

Commissioner Brandon - Are the fees staying the same?

Peter Dailey - For now, yes.

Commissioner Brandon - Good luck on October 1st.

Commissioner Woo Ho - When you developed these, did you consult with other marinas to see what their rules and policies are so that we knew what some of the other standards that are out there?

Peter Dailey - Yes, I am not proud to say that I copied some of the rules from San Francisco Marina. They had more than 41 speakers when they changed their Rules and Regulations so I learned from their mistakes. We incorporated their changes. We looked at other marinas and in consultation with the City attorney, we crafted a document that's kind of a hybrid that incorporates most of the San Francisco Marina but has its own Port slant as well. To answer your question, yes we have.

Commissioner Katz - I echo the comments of my colleagues. It speaks for itself that there aren't a lot of people objecting, but also I have heard from people that berth their boats that they've appreciated the changes that have

taken place and I've heard nothing but positive feedback after our initial foray into some changes. I look forward to hearing more specifics later but I did have just very nitpicky things.

Under the Absence from Berth, I have friends who are sailors and they will sometimes go on long trips so if they're absent from the berth for more than six consecutive months, I assume approval will not be unreasonably withheld if it's for something along those lines.

Peter Dailey – Correct and it details the harbormaster's authority that with prior approval if they get hung up in Baja or something that he cannot be unreasonable in kicking them out.

Commissioner Katz - I was curious why we don't allow SCUBA diving tanks. Because it seems like people put dive tanks on their boats. As a diver, I'm not sure about that one, but I'll leave that for another time.

Joseph Monroe – It's for safety concerns.

Peter Dailey – It's for safety concerns but I will find out more about that.

Commissioner Katz - It seems a little counter-intuitive that you don't allow SCUBA diving tanks on boats but I want to thank all of you and as I said the feedback that I've been getting anecdotally has all been very positive.

Monique Moyer - I want to take a quick opportunity to officially recognize Joe Monroe and Linda Green for their tremendous work. We did have a rough start as you pointed out with our boaters, but it also was a very long transition period for the staff. When they didn't know when they were going to leave the State employee, as Redevelopment Agency employees and come and be City employees that was completely beyond our control.

It created an environment of anxiety that Joe, Linda and Denise Turner, who's been our liaison between Pier One and South Beach. Denise have been handling the situation magnificently. I couldn't be more pleased to be working with all three of you so thank you. Welcome aboard, the staff there is terrific and I've got nothing but fantastic reports, so if we could just have more berths. I'm going to sic them over on BCDC pretty soon.

12. REAL ESTATE

- A. Request authorization to commence negotiation with ProVen Management and DeSilva Gates Construction Company, or in the alternative, with their newly-formed joint venture NewCo, for the terms of an Exclusive Negotiations Agreement for the lease of SWL 352 for asphalt operations. (Resolution No. 15-32)

Daley Dunham with the Port's, or Port's Special Project Manager - I'm joined by colleagues from San Francisco Public Works, Patrick Rivera and Richard Dierkop. Before I start with a presentation, I'd like to ask given the hour, would you like a presentation on this item?

Commissioner Brandon - I read the item and I have no questions. It was pretty clear.

Commissioner Katz - And you missed the presentation on this item at the last meeting.

Commissioner Woo Ho - I was here but you would've been the one Commissioner Brandon, because you weren't here. If you're happy and you have no questions, we've already had the briefing.

Commissioner Katz - I do want to point out in terms of changes from the last presentation, most of it was just clarifying some of the details and as I see it, there's no significant substantive changes from the prior presentation, but just some further clarifications on the roles going forward so.

Daley Dunham - Correct.

ACTION: Commissioner Brandon moved approval; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor. Resolution No. 15-32 was adopted.

13. ENGINEERING

- A. Request authorization to advertise for competitive bids for Construction Contract No. 2776, Five Year Maintenance Dredging Project. (Resolution No. 15-33). **THIS ITEM HAS BEEN POSTPONED TO THE NEXT MEETING.**

14. PLANNING & DEVELOPMENT

- A. Request approval of a resolution endorsing a Request for Proposals by the San Francisco Mayor's Office of Housing and Community Development to solicit a developer for the development of affordable housing on Seawall Lot 322-1, located at Broadway and Front Streets. (Resolution No. 15-34)

Ricky Tijani Development Project Manager with the Planning & Development Division of the Port - My presentation today will consist of two components. I will go first then I'm going to turn it over to Teresa Yanga of the Housing Office to provide more details in terms of the RFP that is the subject of this item.

Since March last year, when you authorized the approval of the MOU between the Port and the Housing Office, Port staff has been working with

the Housing Office staff on their community outreach effort which is to solicit input from the community and the stakeholders, not only to provide input on the goals and objectives of the proposed RFP, but also to make sure that the development that is going to be eventually built on that site will become a community asset that is acceptable to everyone, particularly the neighbors that are being represented by the Barbary Coast Neighborhood Association, BCNA, Telegraph Hill Dwellers and the Southern Telegraph Hill Association.

The site is Seawall Lot 322-1 located at the corner of Broadway and Front and Vallejo Streets, almost directly across from Pier 9. This is a view of the site, looking at it from the corner of the intersection of Broadway and Front Streets. There are more details about the location and the attributes of the site in the staff report. It's in the historic district. It's roughly 38,000 square feet. There's no building on it. It's currently being used for parking.

There are two significant pieces of State legislation and City legislation that provided an opportunity for this site to be used to leverage or to help finance our challenges at Pier 70. There are more details in terms of the background and this legislation in the staff report.

The MOU that you approved included several key terms but the two that brought us to where we are now is the delegation of the developer solicitation process to the Housing Office. The Housing Office will be responsible for selecting the developer and they will be funding all the costs related to that solicitation. At the end of the solicitation process, there will be a negotiation of the lease that will eventually come to the Port Commission for approval.

As part of that MOU was a call out for an extensive community outreach to which they have embarked upon. Teresa Yanga will be covering the details of that community outreach. It has been a very extensive community outreach. A working group has been formed. There have been more than 11 working sessions out since we had approval of the MOU almost 18 months ago. We've provided updates to the community as well as NEWAG. Now the RFP is ready to be issued by the Housing Office and that's why we're here asking for your endorsement.

One of the key components of the RFP is the qualification of the developer and architect team in the sense that the developer and the architect team are going to help shape, form and build the development that will be on that site. It is of importance to the Port.

Those qualifications include that they need to have experience developing a mixed use development in a setting similar to the site, a minimum of five to 10 years' experience in dealing with the typical issues that you face when you're building in a historic district and experience with obtaining Certificate of Appropriateness from Historic Preservation Commission.

Teresa Yanga, Housing Development Director at the Mayor's Office of Housing - As Ricky had pointed out, the site is the Seawall Lot site, but the RFP actually is including not only your site at Seawall Lot 322-1 but also the adjacent parcel that's located next to it at Davis that's currently owned by the Department of Public Works. In conversations with the Department of Public Works, it's currently used as a parking lot. It is going to be transferred to the Mayor's Office of Housing for development so that we would actually have a larger parcel. It's going to be developed both in conjunction with your Seawall Lot so we can actually provide more affordable housing.

We've done extensive community outreach in conjunction with Port staff. According to our MOU with the Port, we've formed a working group that has provided a lot of comments and feedback on the various RFP goals and objectives and design guidelines. We've met with the working group 12 times since March of 2014 and we've also met with the NEWAG group on at least four occasions to give them updates.

As Ricky mentioned, we're ready to issue the RFP. We're fine-tuning the goals and objectives with some additional feedback with the working group but we are prepared to actually issue the RFP in October per our MOU with you.

One of the key things that the community has asked for and including Supervisor Christensen to have a Community Design Workshop. It was done back in July. We hired the architect team of Mark Cavagnero and Cary Bernstein through our contract with the Department of Public Works. The intent was to try and get a third party to give us some technical analysis of what really could be built on the site to give us a sense of design criteria that we will end up putting in the RFP.

From that workshop, there were 35 members of the public that came along with many City staff. Full summary of the workshop is available on our Web site. This is an example of some of the massing studies that Mark Cavagnero and Cary Bernstein provided. They were looking at what would be the maximum development potential on the site if we built it out to per planning code?

Looking at what the site could look like if certain characteristics were taken into account such as not building to maximum envelope, sculpting the site to be a little more responsive to the community and the neighborhood context.

The development objectives at this point in time are we're including both family and senior housing now that we've got the inclusion of the DPW site which will include up to 20% of the housing units for formerly homeless households referred by the Human Services Agency and the Department of Public Health. We're looking for at least 150 affordable units across both sites and that we'll be providing up to 20% of the units for moderate income households to the extent there's funding available from local resources.

There is a \$310 million Housing Bond on the ballot, and one of the programs that are in that Housing Bond is a middle income rental housing program. If the bond passes, we will be providing middle income rental housing actually on the site.

One of the other key components per our understanding with the Port is to evaluate the potential for public parking on the site. It has to be taken into consideration and Port staff will be looking at the design and financing options that the developer will propose.

The other key component that we received feedback from the working group as well as the community at large was to have active ground floor uses of the building. Because we're required by the planning code to have active street frontages on any streets, but the community has asked for a preference for neighborhood serving retail such as a cafe, small market, hardware store or book store so that will be included as examples in our RFP.

We're also looking for appropriate supportive services for all residents and all ages and then to the extent feasible, some community oriented amenities whether it be an after school program or senior programs or open to both residents and non-residents.

One of the key objectives is dealing with the design. As a result of that design workshop, we want to make sure we're addressing things such as housing habitability that's comfortable, secure and stable for its residents. It has to be very responsive to the urban design context. Because the site is in the historic district, we have to be very mindful of the historic elements. The project has to be responsive to Secretary of the Interior Standards. The other consideration that came out of the design workshop was the inclusion of things like mid-block alleys to be able to cut down on the massing of the buildings so it doesn't look so gigantic in the neighborhood context.

Other design objectives will include building within the 65 foot height limit with massing that steps down that's responsive to the historic adjacent buildings and the neighborhood context. Other buildings within the area are within 50 feet up to maybe 63 and then buildings right next door to the site are actually only 1-2 stories. We want to make sure that we don't have a huge building that overpowers those adjacent buildings.

Also taking into consideration the neighborhood warehouse building scale and characteristics when looking at the massing. Also, one of the things that Mark Cavagnero and his office looked at as part of the community workshops was looking at the building from up above. He did a model where looking from Telegraph Hill the site and how it would look, taking into consideration the roofs and how it would look.

Active uses, amenities and then sustainability is a key thing. We expect to come back to both the Port Commission and NEWAG for community input.

Selection criteria as Ricky had mentioned, we will be looking at experience, at the concept, financing and services for both the family and the senior housing.

We are forming a selection panel. We'll have expertise in housing, development, finance, architecture, supportive services. We've requested a member of the working group to sit on the panel and we're also looking for a member of the NEWAG to sit on the panel. We'll be reviewing minimum qualifications, doing an interview, selecting.

The MOH City Director will then accept or deny the recommendation of the panel. Then we will be coming back once we issue the RFP in October. We'll expect submissions back in January. We'll go through the review process, hope to select the developer by March or April of next year and then we'll come back to the Port Commission with the selected developer after that process is done.

Bob Harrer - I'm the President of the Barbary Coast Neighborhood Association and I've been participating on the working group for so many months. First of all we support the issuance of the RFP by October 2015 as called for in the staff report. We also support the possible inclusion of a senior housing facility on the adjoining DPW lot and we think that's also beneficial to the project. While we're still discussing a few details on the final wording of the RFP, we're also quite pleased to see that the community's viewpoint and comments on the possible design issues have been largely, not accepted, but are giving some direction to the development of the project.

In particular things such as mid-block alleys, setbacks and the sculpted building height, things like that we think will go a long ways towards helping with the perception that we don't have a blockbuster type of development here and something that will, again, be attractive in the community.

There is one important point that I do need to bring up which is we do not support having a public parking garage with 110 spaces on the ground floor. We're concerned that such parking would limit both the type and size and potential for retail and commercial development.

We believe it's essential to dedicate the ground floor to retail and commercial and possibly some community uses so we can develop something here that's definitely attractive in the neighborhood that builds the ambience and makes it a pleasure for people to be there. What we don't want is obviously an effect like the Maritime Plaza where it's several blocks length worth of blank walls hiding a garage.

Finally, it appears that there would be two potential representatives on the selection panel, one from NEWAG and one from the working group and we think that is also a good outcome.

Commissioner Woo Ho - I want to thank both Ricky's report and also from the Mayor's Office of Housing. It was very complete. I want to compliment the process as it seems to be very thorough. We've had a lot of community input which has been validated by the previous speaker and we're moving along very well on this RFP so I'm certainly in support of it.

There's one area that I want to ask Ricky a question and I do recall that we've talked about how this project will help us meet some of the housing, affordability, goals of Pier 70. Can you explain a little bit how we actually calculate that and what that value do we think will be for Pier 70 so that we have an understanding of what value are we creating here to fill that vacuum for Pier 70?

Ricky Tijani - The first step is to appraise the property to determine its fair market value based on its highest and best use. Once that value is determined, the City legislation that was passed require that we pay for the cost of the appraiser and some other related costs. We will be deducting those costs from the appraised value.

The net value which is going to be almost 95% of the appraised value which is going to be north of \$10 million would be then used to calculate the Job Housing Linkage Credit that would be provided to the Port. There would be a separate MOU between the Port and the Housing Office regarding the Job Housing Linkage Credit, fee credit that will be provided that will then be used to offset some of the development cost on Pier 70.

Those development costs are usually exemptions like for instance, for the office component or the housing component that they will need to pay to the Housing Office would be offset by that credit that the Port has.

Commissioner Woo Ho - On the Pier 70 side, since that developer's not that far along in terms of what that total Job Housing Linkage Credit that is required, but this is one component to fulfill that requirement. We don't have the answer to what that dollar value is for Pier 70 either, is that correct?

Ricky Tijani - We don't know what the dollar value would be however we would know the amount of credit available to offset that. We do know from the magnitude of Pier 70 development that it's going to be more than that credit, the amount of credit that will be eventually available from this site.

Commissioner Woo Ho - So do you think it will more than satisfy?

Ricky Tijani - It may not be enough.

Commissioner Woo Ho - That's what I thought. I wasn't sure I interpreted your answer correctly. We don't know the answer to that since we have to obviously go further down the road on Pier 70 but this is one way to offset the Pier 70.

Ricky Tijani - Yes.

Commissioner Brandon - Thank you both for a great report. The DPW site, when will you know if that's going to be definitely included?

Teresa Yanga - We're working with DPW right now to work on the jurisdictional transfer.

Commissioner Brandon - So there will be 150 units?

Teresa Yanga - At least 150, yes.

Commissioner Brandon - What is the breakdown? You said 20% homeless, 25% moderate and seniors, and then what is the other?

Teresa Yanga - The balance would be for affordable, usually at 60% of area median and below.

Commissioner Brandon - Sixty percent of area median?

Teresa Yanga - It all depends on what's the maximum capacity, or what the developer ends up proposing. We're giving them a range and see how many they can fit on the site given all the parameters.

Commissioner Kimberly Brandon - So the total project will be affordable?

Teresa Yanga - It will be affordable, yes, with the homeless and then the moderate income.

Commissioner Brandon - If the Port doesn't build a parking lot, will there be parking?

Teresa Yanga - We're anticipating no residential parking. Only car share or loading and offloading for the seniors or for the commercial space.

Commissioner Brandon - What about the Port parking option that we may be looking at?

Ricky Tijani - When we came to you with the RFP, we indicated that we may need to include parking to, not necessarily to offset the revenue that the Port will not be collecting on a day to day basis, but looking into the future, when you look at the adjacent parcel Seawall Lot 324 when that is developed, that's going to be almost 500 parking spaces lost from that community.

Even though we're looking at a reduced number of parking than what we had anticipated, as a matter of fact, we're not even referring to it as a parking garage anymore. We're just saying that some parking will be available. We're estimating that the parking that will be available currently might be less than

90. It's going to be surrounded by the retail spaces that the community is asking for and it will be screened from the street and nobody will know that the parking is there.

Besides, those retail commercial do need some parking for them to be viable. Because the developer could create the space, but it is the individual owner that is going to make it work and one of the things they will be looking at is whether there will be any support for their retail space comparable to other commercial.

The number of parking is not going to be big as the community was expecting. The word "garage" might have been misleading in the sense that garage usually occupy the entire footprint of the building. It's not going to be that case. It's going to be a reduced parking.

Commissioner Katz - With respect to parking, is there any contemplation of below ground level parking or above ground level as was raised during public comment or will it be just on ground level behind the retail?

Ricky Tijani - We're looking at all possibilities but we do know that the water table at that site is pretty high, so if you go below grade, it's going to be cost prohibitive. That's why we pointed out that we will do the feasibility analysis. If it works, then we'll move forward. But most likely, it's going to be on the ground parking spaces wrap around by the retail and the amount is going to be smaller than the community is expecting. But we're waiting for the developer to come on board and then we'll go through those iteration and look at the various schemes and see what will work.

Commissioner Katz - In terms of waiting for somebody to come in, the key point here is that it's still an iterative process and that we're looking at all options. To that point, I know there's been a lot of discussion about it, and I appreciate there's been a percentage number here, but with respect to moderate income housing, is that a hard and fast number? Is that going to be able to be adjusted or is this set percentages? Because I get 105% if I do the calculation there.

Teresa Yanga - It should be up to 25% for middle, 20% for homeless, and then the balance, the difference up to 100%, would be for the affordable. So it shouldn't be, hopefully not 105. It's that we're looking for at least 105, 150 units on the site so whatever the balance ends up working.

Commissioner Katz - Thank you both for your presentations really. It was very clear and lack of extensive questioning means you addressed most of our concerns up front.

ACTION: Commissioner Brandon moved approval; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor. Resolution No. 15-34 was adopted.

B. Informational presentation on the Public Participation and Process for the Waterfront Land Use Plan Update.

Diane Oshima with the Port's Planning and Development Division - Today I wanted to review with you the outcome of a big solicitation process and announce our Working Group and Advisory Teams that have been set up for the public process moving forward.

As you may recall, we had proposed a two prong approach to the Waterfront Plan public process. At your direction, we want to make sure that we've got maximum public participation. The Waterfront Plan Working Group was set up to be a body that would hold public meetings that would be the public forum for interactive discussions on the various topics related to looking at the Waterfront Plan.

But as there are topics that probably will spring up that need a deeper dive, we have created four Advisory Teams to focus in on specified topics so that we have another body of citizens who have solicited or submitted their interests to take a deep dive, do some technical and focused analysis and be able to provide that information to the public and the working group as structured in this process.

We did a solicitation. We were frankly just bowled over and overwhelmed by 128 applications from members of the Bay Area and San Francisco citizenry who wanted to get involved in this public process. We were very gratified by that. What we ended up with was the maximum number of participants both on the working group and the advisory teams.

On the Working Group itself, we have 33 members that are listed. On the Advisory Teams, we have another 54 members. I would note that the staff report indicated 55 members. They come from outside San Francisco as well as through the neighborhoods within San Francisco and each one of the 11 Supervisorial Districts.

We strived for having ethnic diversity in that membership so that we could really get the broad breadth of perspectives and knowledge both from people who have been following the Port and know the waterfront well and a lot of its regulatory and financial background as well as citizens who are new who wanted to jump in and learn more and help us figure out how to prioritize the various demands going forward.

In your staff report, we have included the full roster for both the working and all seven of the Waterfront Plan Advisory Teams. This slide just indicates the roster for the Working Group itself. Because there are 54 members on the Advisory Teams the font size got too small to put it on a slide so I would refer people to the staff report.

There is one correction in the roster on the staff report in that we listed Stephanie Greenburg on a Waterfront Plan Advisory Team for the Land Use Neighborhood section. That was a typo on our part. She is actually a member of the Waterfront Plan Working Group.

Just to give you a breadth of the distribution, the geographic distribution at least within San Francisco. It maybe a little bit small for the audience to read but each of those dots is representing where the Waterfront Plan Working Group members reside. We used their home addresses as the basis for trying to get the geographic distribution. Similarly for the Waterfront Plan Advisory Team members, they also are distributed throughout San Francisco as well as representatives from the region as well.

We have made some minor updates to the timeline for the public process moving forward. This is a schedule that's similar to what we had presented previously where we had thought that we might be kicking off the public process in September, but the extra time that was taken to go through all the applications and land on the rosters means that we've had to move it back out a bit.

The important thing to indicate is that the Waterfront Plan Working Group and the public meetings that we will be holding for that are structured like our Port Advisory Groups in that we want to be able to have interactive exchange, not only amongst the Waterfront Group members but with the audience and the participants that attend the meetings as well. We're going to have to be working further to come up with some ground meeting rules so that everybody has an understanding about how to have a fair chance to participate in the discussions.

This public process and the topics that are going to be covered are going to implicate members of the entire Port staff from all divisions. But we do have a core group here at the Planning and Development Division that are staffing this. I wanted to take the opportunity also to introduce you to Anne Cook and Kari Kilstrom who are sitting right here. Because of the import and the scope of this, we really felt like we needed to call in the reserves from our wisdom pool.

I worked with Anne and Kari as part of the original waterfront plan, and so their roots and their knowledge are going to be fundamental to helping us with this process moving forward, in addition to the inner agency coordination that was referenced earlier in the meeting with the Planning Department and BCDC and State Lands being able to bring forth content that's relevant to this whole process.

Commissioner Katz - I just want to say you can never really leave the Port.

Diane Oshima - It's like riding a bike. In terms of next steps, we do plan on having what we're calling the Waterfront Vision Workshop and that's

intended to be an open house for the general public, not just the Waterfront Working Group and the Advisory Teams, but all citizens to be able to start afresh, to give some insights about their experiences of the Port waterfront to date and their ideas about what we should be thinking about moving forward.

We're scheduling that for Monday, October 19, 2015 at the James R. Herman Cruise Terminal at Pier 27. More details and meeting notices on that will be coming forward shortly as well as online comment and opportunities for those who aren't able to make the meeting.

To follow up on that, we're scheduling a waterfront boat tour. Blue & Gold has been kind to work with us to marshal this tour so that people actually get to look at the waterfront from a different perspective, the water, from San Francisco Bay. We think that's really a unique perspective that should be brought into the fold.

We have a Waterfront Plan Web page set up. We are inviting people who want to follow this process to sign up on our email list so that they will get meeting notices in the future. We will be having newsletters that we'll be working with Renee Martin and Tiara Earls on along with social media messaging for key points and developments in the process.

There are many members of the Working Group and Advisory Teams that actually just came. We did not invite them. This is a show of their excitement and enthusiasm and support for the Port. I want to thank all of the people who have come here. I couldn't say them all by name and still keep within my time limit. Thanks so much.

Commissioner Katz – I would like to ask those people who have been listed as members of the Working Group or the Advisory Groups, please stand so we can see you here in the audience. I want to thank you. To all of you, congratulations and thank you very much for the hard and critical work that you're about to embark upon and we really appreciate your wisdom and advice. Thank you all for that.

Commissioner Brandon - Diane, thank you for the wonderful presentation. I think that's the shortest one you've ever done. I think this is an exciting team and I think you've put together a great group and I'm very happy to see representation from all over San Francisco and it's going to be great to see what everybody comes up with.

Welcome back Anne and Kari, it's great to see you two. I think the page you skipped was the one that said that, "The Working Group meetings are open to all interested citizens," along with some other stuff, but just want to note that anybody who wants to get involved, can. It's an exciting time and I'm looking forward to the results.

Commissioner Woo Ho - I also want to echo Commissioner Brandon comments. Diane, Brad and all the team have done a great job to put

together a group. I think that this also represents in the evolution of the Port and the waterfront a major step forward in terms of the fact that we have such widespread representation across the city, not just the neighborhoods that are neighbors of the waterfront. We even got interest from outside the city boundaries. I think that's tremendous.

We have and we've looked at the representation not only the geographic diversity but the expertise. We have some people that are well known, interested and vocal in terms of what the waterfront represents. We hope that people see that we're going to respect in this process all the points of view that can be expressed. Hope that the groups will respect that there is dialog. It is an Advisory Group and that the points of view will be heard but hopefully that the groups can also come to some sort of consensus.

This is not to let one voice drive everything but that we are hearing the input and that we at the Commission want to hear, but we wanted to have a process, a synthesized way to make sure that the community and the public were able to give us the feedback in a way that we can all work with and that is the goal of having the Waterfront Land Use Advisory Group to help us and to make sure that with a process that is fair to everybody and to give a chance to everybody, that is done in a way that makes it possible.

We look forward to hearing the feedback. The interest in the waterfront is enormous and tremendous. It's a tremendous asset for the city as we know. It is for the whole city if not for the whole region.

Commissioner Katz - Thank you all. I concur with the remarks of my colleagues. First, I want to thank Anne and Kari for coming back. Brad for your tremendous work as well. Diane, I don't know how to begin to single you out for just the incredible work that you do on these projects on behalf of the Port and in particular everything that's gone in to putting together such a tremendous initial foray. What a great group you've assembled.

I want to thank you for all of your hard work. All of you that worked on the original plan, the fact that we had so many people that were interested in participating and being involved this time around is extremely exciting but also a testament to what has transpired over the years and what's happened along the waterfront. Thank you Director Moyer and everyone for moving the initial plan along and really making the waterfront and our Port such a dynamic vibrant place. The excitement around this update effort speaks for itself and that the work that was done initially was quite impressive and invaluable and so I want to thank everyone who's participating in the Working Group as we move forward. I'm excited to see what comes out of it. Look forward to the information, the recommendations and advice and it's a really wonderful time and also too echoing just the diversity of opinions, perspective, expertise and geographic range that the groups and the advisory groups will represent. Thank you all and I look forward to future updates.

15. NEW BUSINESS

Monique Moyer - Commissioners, I have the two New Business items that you suggested earlier President Katz. I won't reiterate them in the interest of time.

16. ADJOURNMENT

ACTION: Port Commissioner Woo Ho adjourn the meeting in memory of Alvin B. Petrie, Retired Port Head Dredge Leverman and Pacific Coast Federation of Fishermen's Associations Executive Director Zeke Grader. Port Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

Port Commission President Leslie Katz adjourned the meeting at 5:30 p.m.

